Public Document Pack

Audit and Governance Committee

Date: Monday, 27 April 2026
Time: 6.30 pm
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

Members (Quorum 3)
Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andrew Parry, Andy Todd, Beryl Ezzard, Ryan Holloway and Chris Kippax

Chief Executive: Catherine Howe, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services
Meeting Contact louis.wicks@dorsetcouncil.gov.uk

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Agenda

Item **Pages**

1. APOLOGIES

To receive any apologies for absence.

2. MINUTES 5 - 10

To confirm the minutes of the meeting held on 23rd February 2026.

3. AUDIT & GOVERNANCE ACTION TRACKER 11 - 16

To consider the Audit & Governance Action Tracker.

4. DECLARATIONS OF INTEREST

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.

5. PUBLIC PARTICIPATION

Representatives of town or parish councils and members of the public who live, work, or represent an organisation within the Dorset Council area are welcome to submit either 1 question or 1 statement for each meeting. You are welcome to attend the meeting in person or via MS Teams to read out your question and to receive the response. If you submit a statement for the committee this will be circulated to all members of the committee in advance of the meeting as a supplement to the agenda and appended to the minutes for the formal record but will not be read out at the meeting. The first 8 questions and the first 8 statements received from members of the public or organisations for each meeting will be accepted on a first come first served basis in accordance with the deadline set out below.

All submissions must be emailed in full to
louis.wicks@dorsetcouncil.gov.uk
by 8.30 am on Wednesday 22 April 2025.

When submitting your question or statement please note that:
- You can submit 1 question or 1 statement.
- A question may include a short pre-amble to set the context.
- It must be a single question and any sub-divided questions will not be permitted.
- Each question will consist of no more than 450 words, and you will be given up to 3 minutes to present your question.
- When submitting a question please indicate who the question is for (e.g., the name of the committee or Portfolio Holder)
- Include your name, address, and contact details. Only your name will be published but we may need your other details to contact you about your question or statement in advance of the meeting.
- Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.
- All questions, statements and responses will be published in full within the minutes of the meeting.

6. MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE 17 - 22

To note the minutes of the Audit & Governance Hearing Sub-committee held on 25th February 2026.

7. THE AUDIT PLAN FOR DORSET COUNCIL & DORSET COUNCIL PENSION FUND - GRANT THORNTON 23 - 84

To receive a report from Julie Masci, Head of Engagement Grant Thornton.

8. RISK MANAGEMENT UPDATE 85 - 102

To receive a report from Chris Swain, Risk Management and Reporting Officer.

9. AUDIT ACTIONS UPDATE REPORT 103 - 124

To receive a report from Chris Heighway, Strategic Performance & Risk Lead.

10. ANNUAL INFORMATION GOVERNANCE REPORT 125 - 164

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

11. CORPORATE COMPLAINTS POLICY 165 - 172

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

12. REPORT OF INTERNAL AUDIT ACTIVITY - SWAP PROGRESS REPORT 173 - 184

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

13. APPROACH TO INTERNAL AUDIT PLANNING 2026-27 - SWAP 185 - 198

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

14. WORK PROGRAMME 199 - 200

To consider the work programme for the Committee.

15. 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.

16. 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 7 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.

a) Protecting our Council - Cyber Security Risk Management and Future Improvement Plans 201 - 236

To consider a report from James Ailward, Head of ICT Operations.

Dorset Council

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 23 FEBRUARY 2026

Present: Cllrs Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andrew Parry, Andy Todd, Beryl Ezzard, Ryan Holloway and R Ong

Present remotely: Cllrs Chris Kippax

Apologies: S Roach

Officers present (for all or part of the meeting):
Sean Cremer (Director - Resources (Section 151 Officer)), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP), Louis Wicks (Democratic Services Officer Apprentice), Lisa Cotton (Interim Executive Director - Whole Council Modernisation and Customer Delivery), Hannah Brown (Service Manager (Finance)), Julie Masci (The Engagement Leader Grant Thornton) and James Ailward (Head of ICT Operations), Sam Harding (Senior Manager Grant Thornton), and Nina Coakley (Head of Transformation and Design).

186. **Apologies**

Apologies were received from Simon Roach. Cllr Kippax attended online.

187. **Minutes**

The minutes of the meeting held on the 12th January 2026 were confirmed and signed.

188. **Audit and Governance Action Tracker**

The Cabinet Member for Finance and Capital Strategy provided an update. There was a reference group held over the past several months and was felt that it was time to end. Thanks were given to the officers and members of the group for their contributions and was largely satisfied with the direction of systems and procedures. There was a concern about the risk approach and there was an opportunity to use a draw down contract for renewal as a test case which would be useful to try and work out what they had in place and if it was strong enough. There were concerns about contract management which they had asked the officers to go back and check to make sure the systems were robust.

The Vice Chair, Cllr Spencer Flower, concurred and added that the support from officers had been excellent and believed they had done the job that the group was set up to do.

The Corporate Director for Finance and Commercial introduced a number of items that had draft answers which would be circulated to members and brought back to the next meeting.

189. **Declarations of Interest**

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

190. **Public Participation**

There were no questions from the public.

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

No sub-committee meetings had been held.

192. **Our Future Council Progress Report**

The Head of Transformation and Design introduced the report. Since the last update the program remained stable but had made improvements to clarifying roles and to areas of concern. They had taken a phased approach to organisational change to ensure they were safe and controlled.
Governance had a clearer member led oversight on the changes involving Cabinet setting the direction, Audit & Governance providing scrutiny of risk and governance maturity, and Place and Resource Scrutiny checked accountability and a cross-party member steering group which was internally supported by a programme board to oversee delivery, risks, issues and benefits. Over the past 6 months they had refined the reporting cycle and the next update would come to cabinet in April.

Workforce risk had been reduced following the launch of the transformation management office and the customer and business support hubs. These services were bedding in well but there was remaining pressure as teams adjusted and processes stabilised. Risk was being mitigated by bringing together the roots that we were asking customers to contact us through and actively reducing duplication of tasks.
Technology risk around the new HR and finance system was still high but were in a position where it was far more understood through the strengthening of specialist roles and introduction of new ones in support. There would be further updates on governance in future reports for these systems.
The financial risk remained high, for 25/26 £6.7m of the £10m target was forecasted for delivery, but there was still some remaining low confidence in relation to third party spend reduction. For 26/27 the delivery plans relied on timely service changes to make sure the workforce was tracked accurately and was critical that momentum was maintained by being strengthened through dependency tracking being tighter and better managed.

Queries were raised such as additional assurance around data assurance, sequence of technology change. A lot of work to adopt sector led working being learned from other organisations rather than redesigning. Managing automation pilots had tight governance surrounding it and had ethics and morals around how

automation was used. Migration of legacy content had enabled moving forward in the management of data with a rolling deletion policy to make sure only needed information was kept.

Councillor questions:

- Data migration was working well with officers to make sure they were aligned.
- Very used to organisations going through IT migrations so Grant Thornton will make sure they are able to work with the system.
- The Transformation Board asked for a list of the activities that would save us money and whether each of those activities was on track. It was asked that only exception reporting was brought forward, if the report was on track, then leave it alone but bring forward the ones that are not on track.

The report was noted.

193. **Annual Accounts and Audit 2024/25**

The Corporate Director for Finance and Commercial introduced the report. Scope for this was Dorset Council and the Dorset Council Pension Fund. The report showed that the Council was effectively hindered by the backstop arrangements and the maximum opinion in insurance was hampered. Therefore, the opinion on the closing balance carried forward to the following year, but this would be the last year the backstop lingered in the accounts. Views from Grant Thornton would lead to a clean bill of health; there were hundreds of pages of detail regarding findings and continuing to identify improvements which were welcomed.

The Engagement Leader from Grant Thornton introduced the documents. The documents regarding Dorset Council and Dorset Pension fund were brought up to date. A verbal update was brought at the last meeting regarding an additional paper and had been incorporated into the final report.

Appendix 4 and 6 included the letter of representation which was signed by senior management to make sure that all information had been disclosed to the auditor and covered areas such as fraud.

Dorset Council's audit, appendix 1, had been presented at the last meeting but there were 3 key areas highlighted to be finalised. The first was around final work regarding concluding council leases. Big changes last year in authorities leasing standards which effectively brought on additional leases not previously held by the Council. Valuation of the Council's property assets had been taken to an external professional valuer with an expectation to take very different assumptions which could lead to sizable swings in the balance, but additional levels of scrutiny with additional expertise were being used. In relation to the health and safety investigation there had been a meeting with the Police to gain a helpful update, allowing additional work to be completed. The council valued property every 5 years so this was not subject to the value of the current year and would take a while before some property came back around for valuation. There would be discussion with colleagues on what the period of recovery would look like to get there as soon as possible.

Decision: The Committee agreed and noted the recommendations as set out in the report.

Reasons for Decision:
In accordance with the national backstop deadline of 27 February 2026 for the completion of the 2024/25 audit, the Committee was asked to approve the recommendations which provided a disclaimer of opinion on the financial statements for 2024/25.

194. **Period 9 Financial Management Report 2025/26**

The Corporate Director for Finance and Commercial introduced the report. The report covered the revenue budget capital, debt management and other financial management. The revenue forecast was at £4.4m overspend which resulted in an £866,000 improvement. The table on page 330 of the agenda broke down the movement within the directorates, Adults and Housing were seeing a high level of demand which was offset by some improvement in the Children's directorate and in the Place directorate. The position was improving going into Q3.

Answers to Cllr Questions:

- Do tend to see the large overspend forecasts in Q1 and Q2 as pressure comes through, there had been opportunities to hold back discretionary spend from other directorates. To take a more sustainable way forwards started with the budget set at the beginning of the year, effectively how many services people received from the council for how long continued to build pressure. Took decisions out the Q1 position around holding vacancies and restricting non-essential spending, setting out that the control measure would remain in place until such a time at which they could be released. Already looking toward to the 27/28 budgeting process to make sure there is a certain degree of funding.

The committee noted the report.

195. **Work Programme**

The work programme was noted by the committee.

196. **Urgent items**

There were no urgent items.

197. **Exempt Business**

Proposed by Cllr Spencer Flower, seconded by Cllr Ryan Holloway.

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).

Report of Internal Audit Activity - ICT Assurance Mapping - February 2026

The committee noted a report on ICT Assurance Mapping.

Duration of meeting: 6.30 - 7.19 pm

Chairman

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Action Tracker.

Outstanding Actions						
Number	Action	Officers/Cllrs asked to complete action.	Date action issued	Date Due	Latest Status	Date of Completion
1	Process Mapping to demonstrate the amended and strengthened approach to order approvals and financial sign off and the payment of invoices.	Sean Cremer (Corporate Director Finance and Commercial).	12th January 2026		In-Progress	
2	Evolving Pace of AI and how it could be manipulated asked to come back to the Committee.	James Ailward (Head of ICT Operations) or Marc Eyre (Service Manager for Assurance)	12th January 2026		In-Progress	
3	Item 194 on the report was referenced which 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.	Cabinet Member for Education and Finance.	12th January 2026		In-Progress	
4	The committee has requested a deeper understanding of the most significant strategic risks captured within the risk management framework. Priority has been placed on Risk 22 (Migrating and Managing Data) and Risk 91	Chris Swain (Risk Management and Reporting Officer).	12th January 2026		In-Progress Work is underway to deliver a useful but	

Audit and Governance
Action Tracker.

	(Cyber Attack). Risk 200 (Health Service Reform) has also been requested, to be provided when sufficient information becomes available. This approach is intended to strengthen thematic oversight of key strategic risks				proportionate view that is suitable for committee, especially given the nature of the cyber risk.	
5	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? 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? Can officers outline the concrete actions, leadership arrangements, and timescales in place	Marc Eyre (Service Manager for Assurance).	12th January 2026	Updated Information Governance Report - 27 April 2026.	In-Progress	

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	to address these issues, including system oversight, resourcing, and training?					
8	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. What conclusion was drawn from that and for it to be added as an action that could be completed as a written response.	Sean Cremer (Corporate Director Finance and Commercial).	13th October 2025		In-progress	
7	Review the thresholds and look at an off-system approval process and how it was being dealt with. To bring to the next meeting.	Sean Cremer (Corporate Director Finance and Commercial).	24th November 2025	12th January 2026.	In-progress	
8	Our Future Council Update – for future reports, it was asked for more focus around IT risks and around risks.	Lisa Cotton (Corporate Director Transformation, Customer and Culture).	24th November	23rd February 2026	In-progress	
9	Simon Roach requested that officers issue a short summary response to the questions on Grant Thornton Audit Progress Report - pg 154 – suggested questions that the Committee might ask.	Sean Cremer (Corporate Director Finance and Commercial).	13th October 2025	23rd February 2026	In- progress	
Completed Actions						
10	Take away responses from 4th August meeting and update the Committee around payroll access to sensitive IT Capabilities - The Committee	Christopher Matthews (Head of	4th August 2025		Completed – updated Committee.	24th November 2025.

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	members highlighted that in their view the management responses to the action plan did not fully address the findings raised by the external auditor and officers agreed to take these away to revisit and update.	People and Work Force)				
11	Cllr Steve Murcer asked - To provide greater analysis of reserves - what the reserves looked like, what the committed reserves are and what the free reserves are. So that the Council knows what level of reserves that could be used to balance the books at the end of the year. Looking to see if the Council has headroom in reserves. Cllr Clifford- said that he would get accurate figures of the reserves sent around to the Committee.	Sean Cremer (Corporate Director Finance and Commercial).	13th October 2025		Completed	2nd January 2026.
12	Expand in key areas of the report – more detail - such as, Cllr Jill Haynes referenced pg 72 and 73 of the P4 report - £28 Million social care debt but only £17 Million collectable. Pg 75 12 that was going to be written off – no story behind that. A written response to be sent to the rest of the Committee Members along with the additional answer given during the Committee regarding if this would be collectable eventually and what percentage of the debt would never be collected and written off?	Sean Cremer (Corporate Director Finance and Commercial).	13th October 2025		Completed	4th February 2026.

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13	Organise Risk Briefing and Demonstration of Risk Dashboard.	Chris Swain (Risk Reporting Officer) and Liz Crocker (Head of Service Strategy).	13th October 2025		Complete – Briefing held on 20th November 2025.	20th November 2025.
14	Circulate a more detailed written answer on the process of revenues and benefits continuous review.	Sean Cremer (Corporate Director Finance and Commercial).			Completed	15th January 2026.
15	Cllr reference group which looked at compliance and the audit action which had been investigated and put forward. Need to decide on whether the group had done its job or did the Committee want the group to continue or change the terms of reference.	Audit and Governance Committee	12th January 2026	23rd February 2026	Completed	23rd February 2026

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Dorset Council

AUDIT AND GOVERNANCE (HEARING) SUB-COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY 25 FEBRUARY 2026

Present: Cllrs Neil Eysenck, Gary Suttle and Andy Todd

Apologies: None

Also present: Cllrs Andrew Parry (Complainant) and Jane Somper (Complainant), Elizabeth Whatley (Independent Person)

Officers present (for all or part of the meeting):
Mary Dolley (Investigating Officer), Grace Evans (Head of Legal Services and Deputy Monitoring Officer) and Lindsey Watson (Senior Democratic and Governance Officer)

OPENING THE MEETING

The Senior Democratic and Governance Officer opened the meeting.

1. **Election of Chair**

It was proposed by N Eysenck seconded by A Todd

Decision

That G Suttle be elected Chair of the Audit and Governance (Hearing) Sub-committee for this meeting.

2. **Apologies**

There were no apologies for absence.

3. **Declarations of Interest**

There were no declarations of interest.

4. **Exempt Business**

The sub-committee agreed that the meeting would be held in public.

STATEMENT FROM COUNCILLOR N EYSENCK

N Eysenck provided the following statement at this point in the meeting:

“I have a short statement to make before the hearing starts.

At the recent Lib Dem group meeting, I was approached unexpectedly by Councillor Fuhrmann, who began speaking to me about this code of conduct complaint. I told him I could not discuss the matter and that he should attend the hearing to have his say, but he continued. I was so taken aback by the situation that I did not meaningfully engage with or absorb what he was saying. I want to make clear that I have not formed any views about the complaint in advance of this hearing and come to it with an open mind, ready to consider all the evidence and opinions presented today."

5. **Code of Conduct Complaint**

The Chair of the sub-committee noted that the Subject Member, Councillor A Fuhrmann was not in attendance at the meeting and asked the sub-committee if they were content to continue the hearing in his absence. The sub-committee agreed that the hearing would continue.

M Dolley, Investigating Officer presented her report in respect of complaints made against Dorset Council Councillor Alex Fuhrmann by Dorset Council Councillors Jane Somper, Laura Beddow and Andrew Parry. The complaints had been supported by Dorset Council Councillors Jill Haynes, Sherry Jespersen, Cathy Lugg, Emma Parker, Carole Jones and Val Pothecary.

The Investigating Officer provided detail of the complaints received which alleged a breach of paragraphs 1 (requirement to treat councillors and others with respect) and 2 (relating to bullying, harassment and discrimination) of the Dorset Council Councillor Code of Conduct.

To investigate the complaints, the Investigating Officer had taken into consideration the following evidence:

- Dorset Council Code of Conduct
- Dorset Council's policy relating to the use of social media (applicable to members and officers), material about the use of social media offered by the Local Government Association and material about bullying provided by the Anti-bullying Alliance
- Research of information on posting and removing material from Facebook and Instagram
- Interviews with the three principal complainants, Councillor Fuhrmann and one other member of Dorset Council (statements included within the investigation report)

The complaints were set out in full in the report and the Investigating Officer took the sub-committee through the main points arising.

The complaints related to the use by Councillor Fuhrmann of social media, including messaging facilities, specifically Facebook and Instagram and as set out in the report, that his conduct breached paragraphs 1.1 and 2 of the Code of Conduct. The material complained of comprised screenshots of social media posts and of messages sent privately on an Instagram messaging facility. Most of the relevant events took place within the space of a few hours late in the afternoon and early evening on 18 December 2024. The report set

out the sequence of the relevant events and their timing, which included material posted on 5 December 2024 by Councillor Fuhrmann on his Instagram account and re-posted by Councillor Somper on her Facebook page on 7 December 2024. Comments were subsequently applied to the post on 18 December. The material shared as a story by Councillor Fuhrmann on his Instagram account on 18 December 2024 was in the same time frame as the above comments. The significance of the material being shared as a story on an Instagram account rather than being posted was set out in the report.

The Investigating Officer noted that in addition, a private exchange of messages between Councillor Fuhrmann and Councillor Beddow took place on 18 December 2024, at the same time that the comments were being made on the Facebook post.

It was noted that the material referred to above, was communication to which the Code of Conduct applied.

The Investigating Officer provided an overview of the conclusions set out in the report. The Investigating Officer had concluded that Councillor Fuhrmann had failed to treat other councillors with respect and was therefore in breach of paragraph 1 of the Code of Conduct. In respect of the other aspects of the complaints, it was noted that paragraph 2 of the Code of Conduct required a councillor not to bully, harass or unlawfully discriminate against any person and to promote equalities. The report set out in detail, the reasons why although the Investigating Officer believed that the conduct was ill-judged, they did not consider Councillor Fuhrmann's conduct to amount to bullying, harassment or unlawful discrimination, and did not indicate a failure to promote equalities and therefore was not in breach of paragraph 2 of the code.

The Independent Person confirmed that the report was clear and that she had no questions at this stage.

The Chair opened the meeting up for questions.

In response to a question from A Todd, the Investigating Officer noted that she was not aware of any complaint arising from the posting online by Councillor Fuhrmann of the image of him in the Council Chamber and that it was the comments and messages that were for consideration as part of the hearing. The Investigating Officer noted that the original post was on the 5 December on Instagram, which was re-posted by Councillor Somper to her Facebook page on 7 December, with comments on the post made on the 18 December.

N Eysenck confirmed that he had no specific questions at this point.

The Chair, G Suttle, noted that the investigation report was clear and thanked the investigation officer for their work.

The Chair adjourned the meeting at 4.16pm. Members of the sub-committee, the Deputy Monitoring Officer, the Independent Person and the Senior

Democratic and Governance Officer left the room in order for the sub-committee to make a decision on breach, in private.

The meeting reconvened at 5.37pm.

The Chair provided the decision of the sub-committee:

On the balance of probabilities, having reviewed the papers provided in the agenda pack, considered the presentation by the Investigating Officer, advice from the Deputy Monitoring Officer about definitions of respect, bullying, harassment and discrimination as set out in the Investigation report and consulted with the Independent Person, the sub-committee found:

- Failure to treat Councillors Jane Somper and Laura Bedow with respect – Breach
- Bullying – No breach
- Harassment – No breach
- Discrimination – No breach

The Chair noted that at this point in the meeting, the sub-committee would normally invite representations about aggravating or mitigating factors from the Investigating Officer and the Subject Member. However, as the Subject Member was not in attendance, the sub-committee would move to the matter of sanctions agreed.

The Chair set out the decision of the sub-committee on sanctions agreed as follows:

- Councillor Fuhrmann is required to make a written apology to Councillors Jane Somper and Laura Beddow

- The Monitoring Officer is instructed to arrange training for Councillor Fuhrmann; specifically in relation to the Councillor Code of Conduct and use of social media by councillors

The Chair noted that there was no right of appeal on this decision and closed the meeting.

Appendix - Decision notice

Duration of meeting: 4.00 - 5.39 pm

Chairman

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DORSET COUNCIL
AUDIT AND GOVERNANCE (HEARING) SUB-COMMITTEE

COUNCILLOR CODE OF CONDUCT

DECISION NOTICE

Subject Member:	Councillor Alex Fuhrmann
Date of Hearing/Decision:	25 February 2026
Decision: Complaint	partially upheld
Sanction:	written apology and training

1. Summary of the Complaint

Councillors Jane Somper, Laura Beddow and Andrew Parry alleged that Councillor Alex Fuhrmann breached the Dorset Council Councillor Code of Conduct in his comments on Facebook and Instagram on 18 December 2024 directed at Councillors Jane Somper and Laura Beddow.

2. Parts of the Code of Conduct alleged to have been breached

The Complainants alleged that Councillor Alex Fuhrmann breached the following parts of the Code of Conduct:

- Code section 1.1 a councillor treats other councillors with respect.
- Code section 2.1 A councillor does not bully any person
- Code section 2.2 A councillor does not harass any person
- Code section 2.3 A councillor promotes equalities and does not discriminate unlawfully against any person (specifically Age and Sex for this complaint)

3. Hearing Sub-Committee

The complaint was considered by the Audit and Governance (Hearing) Sub-Committee on 25 February 2026.

Councillors Jane Somper and Andrew Parry were in attendance virtually and did not address the Sub-Committee.

Councillor Alex Fuhrmann did not attend, having confirmed in advance that he would not attend or take part. The Sub-Committee considered whether to proceed and agreed to continue with the hearing in Councillor Fuhrmann's absence.

A recording and full minutes of the hearing are available on the Council website: Agenda for Audit and Governance (Hearing) Sub-Committee on Wednesday, 25th February, 2026, 4.00 pm - Dorset Council

4. The Hearing Sub-Committee's Decisions

On the balance of probabilities, having reviewed the papers provided in the agenda pack, considered the presentation by the Investigating Officer, advice from the Deputy Monitoring Officer and consulted with the Independent Person the Sub-Committee found:

- Failure to treat Councillors Jane Somper and Laura Beddow with respect – Breach
- Bullying – No breach
- Harassment – No breach

- Discrimination – No breach

5. Sanctions

The Sub-Committee decided on the following sanctions:

- Councillor Fuhrmann is required to make a written apology to Councillors Jane Somper and Laura Beddow;

- the Monitoring Officer is instructed to arrange training for Councillor Fuhrmann; specifically in relation to the Councillor Code of Conduct and use of social media by councillors

Appeal

There is no right of appeal against this decision.

Jonathan Mair
Monitoring Officer
Dorset Council

[Date]

Grant Thornton

The Audit Plan for Dorset Council

Year ending 31 March 2026

13 April 2026

Contents

The Backstop

The Future of the Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations require audited financial statements to be published by a specific date. The upcoming backstop dates are as follows:

- for years ended 31 March 2026 by 31 January 2027
- for years ended 31 March 2027 by 30 November 2027; and
- for years ended 31 March 2028 by 30 November 2028.

The Regulations are supported by the National Audit Office's (NAO) Code of Audit Practice 2024. The backstop dates were introduced to clear the backlog of historic financial statements and support the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Local Audit Recovery

In the audit report for the year ended 31 March 2025, a disclaimer of opinion was issued due to the backstop.

As a result, we anticipate that for 2025/26:

- we will have limited assurance over the opening balances for 2025/26
- limited assurance over the closing reserves balance, due to the uncertainty over their opening amount.

We will work with the Council to rebuild assurance over time. Initial discussions have been held with the Council to consider the work involved to rebuild assurance over the next two accounting periods, recognising that the Council is also currently embarking on a new finance system implementation.

Our Work

In order to meet future statutory deadlines, for 2025/26 we will be working towards an internal deadline of 30 November 2026, as a dry run for future years. Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration disclosures; and closing balances for 2025/26. Our objective is to establish a pathway to recovery, by providing assurance over the in-year 2025/26 transactions and movements, where possible, and those closing balances which can be wholly determined in isolation without regard to the opening balance, such as creditors and debtors.

As our work progresses, we will formulate and share a more detailed strategy as to how assurance can be gained on prior years. We will need the cooperation and input of management throughout the rebuilding process.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Dorset Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Dorset Council. We draw your attention to these documents.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance Committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Valuation of land and buildings
- Valuation of the defined benefit pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £21m (PY £21m) for the Council, which equates to 2% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £1.05m (PY £1.05m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- The increasing DSG deficit continues to present a risk of significant weakness. The cumulative DSG deficit has increased and the position is not in line with the planned safety valve programme and as such funding has been withheld.
- Significant weaknesses were identified in 2024/25 in the Council's corporate governance arrangements, budget monitoring, authorisation of funding and compliance with its procurement regulations relating to its Building's Health and Safety team.

We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our interim visit will take place in March and our final visit will take place between July and November. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £611,529 (PY: £637,510) for the Council, subject to the Council delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Audit team's assessment	Planned audit procedures
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	We will: • review accounting estimates, judgements and decisions made by management • test journal entries • review unusual significant transactions.

"In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK)." (ISA (UK) 315).

In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK) 550).

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	Where we have rebutted the risk of fraud in revenue recognition for revenue streams this is due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the revenue streams both individually and collectively.	For the Council's income streams we will keep this rebuttal of the presumed risk under review during the course of our audit. As part of our planned revenue testing, we will: • obtain an understanding of the Council's various income streams. • test a sample of items of income to ensure they have been correctly accounted for and that the income is in the correct period. • review a number of receipts immediately before and after the year end to ensure that they have been accounted for in the correct financial year.

Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
The expenditure cycle includes fraudulent transactions Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	We have identified and completed a risk assessment of all expenditure streams for the Council. We have considered the risk that expenditure may be misstated due to the improper recognition of revenue for all expenditure streams and concluded that there is not a significant risk. Where we have not identified a significant risk of fraud in expenditure recognition for expenditure streams this is due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the expenditure streams both individually and collectively. The Council's significant expenditure streams include: Payroll costs which consist of low value, repeat transactions subject to strong internal controls. Purchase ledger payments, which have a strong control environment. Work was undertaken in the prior year to consider the issues raised in the building health and safety team and further reviews undertaken elsewhere within the Council. We are satisfied that the matters identified have been resolved and no material ongoing risks remain. Housing benefit payments, low value, repeat payments subject to a strong control environment.	We do not plan to carry out any specific procedures regarding fraud in the expenditure cycle although we will keep this rebuttal under review during the course of our audit. As part of our planned expenditure testing we will: • obtain an understanding of the Council's various expenditure streams; • test a sample of items of expenditure to ensure they have been correctly accounted for and that the expenditure is in the correct period; and • review a number of payments immediately before and after the year end to ensure that they have been accounted for in the correct financial year. During our work on additions to property, plant and equipment we will test that the expenditure has been appropriately treated as capital and that routine expenditure has not been inappropriately capitalised.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of Land and buildings £473,768k in 2024/25	The valuation of land and buildings represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit. The 2025/26 Code requires indexation in the intervening years between revaluations. The council will be adopting this for the first time and applying indexation to property plant and equipment.	We will: • document our understanding management's process and controls for the calculation of the estimate • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the valuation report • evaluate the basis on which the valuations have been carried out • evaluate the information and assumptions used by the valuer • evaluate the accounting entries for the valuation • evaluate the reasonableness of the assumptions used to form the estimate; and • use an auditor's expert to assist in the audit of the valuation. • review the reasonableness of selection indices used by the Council for any indexation applied and check accounting entries.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of the pension fund net liability £73,428k in 2024/25	The valuation of the pension fund net liability represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.	We will: • document our understanding management's process and controls • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the actuarial report • evaluate the reasonableness of the assumptions used to form the estimate • obtain assurances from the pension fund auditor on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate • where IFRIC 14 is applicable we will review the IFRIC 14 assessment carried out by the actuary and evaluate the reasonableness of the assumptions used as part of the assessment.

Other risks identified

Other risks are, in the auditor's judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
High Needs Stability Grant / DSG Deficit Support Grant	The Council is aware of the High Needs stability Grant / DSG deficit support grant. Applications for this will be based on the DSG deficit position as at 31 March 2026. Under the scheme, up to 90% of the deficit may be written off, with the Council required to fund the remaining 10%. The total eligible DSG deficit will not include overspends charged to DSG for matters other than High Needs. This creates a potential risk that the Council could increase the reported year-end deficit or allocate ineligible DSG costs as High Needs in order to secure additional funding.	We will review whether expenditure is appropriately classified.

"The auditor determines whether there are any risks of material misstatement at the assertion level for which it is not possible to obtain sufficient appropriate audit evidence through substantive procedures alone. The auditor is required, in accordance with ISA (UK) 330 (Revised July 2017), to design and perform tests of controls that address such risks of material misstatement when substantive procedures alone do not provide sufficient appropriate audit evidence at the assertion level. As a result, when such controls exist that address these risks, they are required to be identified and evaluated."
(ISA (UK) 315)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
  - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
  - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act)
  - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
  - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description	Planned audit procedures
Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements	We determine planning materiality in order to: • establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements • assist in establishing the scope of our audit engagement and audit tests • determine sample sizes and • assist in evaluating the effect of known and likely misstatements in the financial statements.
Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	An item may be considered to be material by nature when it relates to instances where greater precision is required.
Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (continued)

Description	Amount (£)	Qualitative factors considered
Materiality for the Council's financial statements	21,000,000	In determining materiality, we have used industry standard benchmark of gross operating costs and considered factors such as the Council's operating environment and method of service delivery. We have assessed our planning materiality as 2% of your gross operating costs at 31 March 2025 as our benchmark for planning purposes.
Materiality for specific transactions, balances or disclosures	20,000	An item may be considered to be material by nature where it may affect instances when greater precision is required. We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Council's financial statements, which resulted in 5 recommendations being reported in our 2024/25 Audit Findings Report. We will follow up on the recommendations during the course of the audit.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issues
In progress	**Income and debtor recognition** The Authority engages a property management agent to handle the management and rent collection for a number of its commercial properties. It was identified that remittances and reconciliations were monitored on a cash basis which does not recognise accrued rental income or debtors in the financial statements. There is a risk that income and debtors are both understated in the financial statements. We recommend that management implements processes to ensure the completeness of the reporting of income from its rental portfolio.	Management responded that it is implementing new processes to ensure completeness of the reporting of income from the rental portfolio. We will review progress during our audit work.

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issues
In progress	**Treatment of leases** Our testing of the changes arising from the adoption of IFRS 16, identified a number of errors including the historic incorrect recognition of one school, incorrect lease recognition and trivial differences due incorrect rental figures used. Although the overall error is immaterial. Testing of the disclosures for future income receivable by the Authority as lessor, identified a number of errors due to incorrect rental values and lease terms used. Management has reviewed a number of the lease arrangements, and testing has identified that there is not a risk of material misstatement in the remaining population. We recommend that management reviews its leasing records and ensures that these are correct and are updated on a regular basis.	Management responded that it acknowledges the audit findings relating to lease receivables. The issues identified arise during a period of significant planned improvement within Assets & Property, which includes ongoing data cleansing and alignment of lease and asset records across the Council's financial and property systems. These activities form part of the service's 12-month-plus Improvement Plan, which is designed to establish strong, long-term foundations for continuous improvement. Internal Audit has recently reviewed progress against the plan and issued Substantial Assurance with no management actions, providing independent confirmation that the work underway is appropriate and strengthening controls. The recent restructure also increases capacity within Estate Management, enabling improved lease administration and management as well as enhanced data quality. New commissioned estate management arrangements will further support this, bringing in specialist expertise, improving the timeliness and consistency of lease activity, and ensuring that assets are actively managed to maximise value. These arrangements will also include clear requirements for accurate data and robust information sharing, ensuring the Council continues to hold reliable and up-to-date lease records. We will review progress during our audit testing.

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issues
In progress	**Nil net book value assets** In the prior year we recommended that management undertake a review of its fixed asset register to identify assets with a nil net book value (fully depreciated) and carry out a stocktake to ensure that these assets were still in use by the authority. Due to the timing of our recommendation, this work has been carried out during the current year and not reflected in the financial statements under review. The exercise is substantially complete and identified that of the £74m of vehicles, furniture and equipment assets, £52m were fully depreciated. Of these, management has ascertained that 52% of these assets were confirmed to have been disposed of or could not be located. Although there is no impact on the balance sheet, cost and accumulated depreciation will be overstated in the property, plant and equipment note. We also identified that the fixed asset register contains £12.9m of refuse bins. Due to the nature of these assets, it is not possible to determine how many of these bins remain in use. While bins are typically replaced when damaged or lost, some from the original population are likely still in service. Purchases of new bins are capitalised resulting in an increasing large value within the register. We recommend that management ensures that it regularly reviews its assets and removes assets no longer in use from its fixed asset register. We also recommend that management implements a policy to write out refuse bins at the end of the assigned life.	Management responded that a new review process has been put in place for each group of assets to ensure that where they have been fully depreciated, checks are undertaken to confirm whether they have been disposed of or whether they are still in use. We will review progress during our audit visit.

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issues
In progress	**Negative asset values** Testing identified a trivial value of assets in the fixed asset register with negative useful economic lives and relate to incorrect postings being made to transfer assets under construction to operational assets. We recommend that management reviews the fixed asset register to correct anomalous entries.	Management responded that additional controls have been put in place to identify any assets with negative asset values so the records can be corrected at that time. We will review progress during our audit visit.
In progress	**Policy for time in lieu (TOIL)** Our testing of exit packages, identified an individual who had accrued 260 hours of TOIL, which was paid on their departure from the Authority. We recommend that management ensures that it has a policy to prevent excessive TOIL being accrued and to ensure that any required instances are subject to approval.	Management responded that there is clear guidance on the use of TOIL available on the Council's intranet. In response to the audit finding a reminder will be issued to reinforce expectations of both staff and managers. We will review as part of our testing of exit packages.

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
SAP	Financial reporting	• ITGC assessment (design, implementation and operating effectiveness)
Capita	Council Tax, Business Rates, Welfare Benefits.	• ITGC assessment (design and implementation effectiveness)

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

Financial sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.

Governance

How the Council ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

Risks of significant weakness in VFM arrangements

Initial Risk assessment of the Council's VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor's work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Financial sustainability	R	Significant weakness identified in relation to the increasing levels of Dedicated Schools Grants (DSG) deficit.	The increasing DSG deficit continues to be a risk of significant weakness. The cumulative deficit has increased and the position is not in line with the planned safety valve programme and as such funding has been withheld.	We will consider the actions taken and the arrangements in place in 2025/26 to manage the deficit position, whilst reflecting recent national announcements on the additional DSG deficit support grant.

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendation(s) made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant weakness in VFM arrangements (continued)

Criteria	2024/25 Assessment of arrangements		2025/26 Risk assessment	2025/26 risk-based procedures planned
Governance	R	Significant weakness in arrangements were identified and a key recommendation made relating to financial monitoring and governance arrangements arising from the Building Health and Safety review.	Significant weaknesses were identified in 2024/25 in the Council's corporate governance arrangements, budget monitoring, authorisation of funding and compliance with its procurement regulations relating to its Building's Health and Safety team. These arrangements are a risk of significant weakness for 2025/26 and we will assess the Council's response to these findings as part of our work.	We will consider: - the actions identified and implemented to address the recommendations raised by Internal Audit, including development of the Council's own action plan - how the Council assures itself that it is compliant with procurement regulations, scheme of delegation and Constitution - the work undertaken by the Council to assess if it has breached its procurement procedures in any other areas other than Building Health and Safety.
Improving economy, efficiency and effectiveness	R	One significant weaknesses in arrangements identified and one key recommendation as raised above relating to the health and safety compliance team.	We established in 2024/25 that the Council did not have effective procurement and commissioning arrangements in place to procure services to deliver its building's health and safety compliance requirements. This remains a risk of significant weakness in 2025/26.	

Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we have identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Council's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

Potential types of recommendations

Statutory recommendation

Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.

Key recommendation

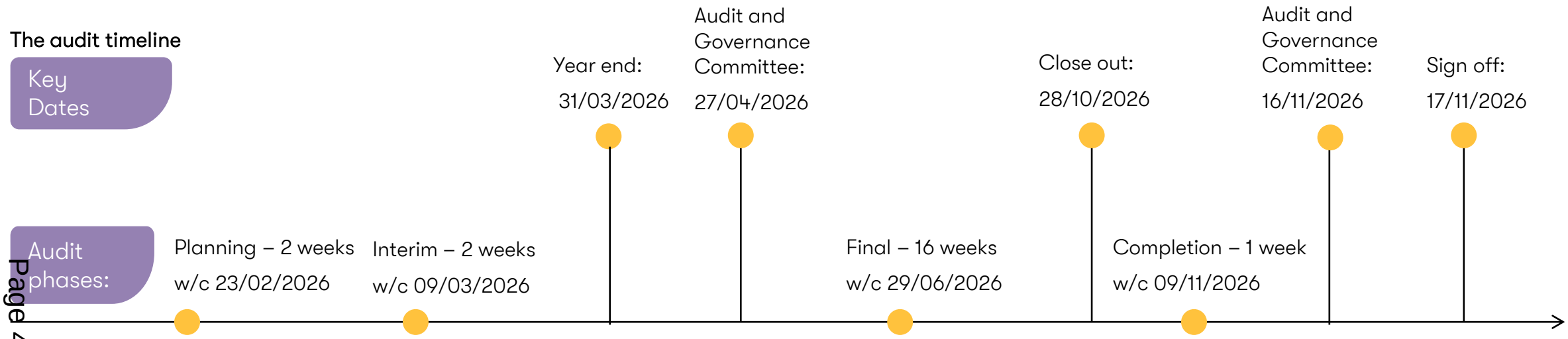
The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council.
We have defined these recommendations as 'key recommendations'.

Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

Logistics

The audit timeline



Key elements

- Planning meeting with management to set audit scope
- Agree timetable and deliverables with management and Audit and Governance Committee

Key elements

- Document design effectiveness of systems and processes
- Review of key judgements and estimates
- Any planned additional testing.
- Issue the Audit Plan to management and Audit and Governance Committee
- Planning meeting with Audit and Governance Committee to discuss the Audit Plan

Key elements

- Audit teams to complete fieldwork and detailed testing
- Audit of the financial statements
- Weekly update meetings with management
- Technical review of financial statements

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- Draft Audit Findings issued to Audit and Governance Committee
- Audit Findings presentation to Audit and Governance Committee
- Auditor's Annual Report
- Finalise and sign financial statements and audit report

Our team and communications

Grant Thornton core team

Julie Masci

Engagement Lead/Key Audit Partner

- Key contact for senior management and Audit and Governance Committee
- Overall quality assurance

Samantha Harding

Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Mariejoy Paras

In-charge

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists and other technical specialists (e.g. IT audit and valuations)

	Audit reporting	Audit progress	Technical support	Service delivery
Formal communications	• The Audit Plan • The Audit Findings • Auditor's Annual Report	• Audit planning meetings • Audit clearance meetings • Communication of issues log	• Technical updates	• Annual client service review
Informal communications		• Communication of audit issues as they arise	• Notification of up-coming issues	• Open channel for discussion

Our fee estimate

Our fee estimate

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare good quality sets of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.
- Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:
  - Land and Buildings valuations

	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Audit fee		
Dorset Council Audit Scale Fee	637,510	611,529
Non-audit fees		
Housing benefit certification	25,875	25,000 (Est)
Teachers pension return certification	12,500	12,500 (Est)
Total non-audit fees	**38,375**	**37,500**

Our fee estimate (continued)

Previous year

In 2024/25 the scale fee set by PSAA was £594,874. The actual fee charged for the audit was £637,510.

As the audit report from the 2024/25 (and 2023/2024) audit is a disclaimer of opinion due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's Ethical Standard (revised 2024) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £611,529.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued (but not before 1 December2025)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here Fee Variations Overview – PSAA

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we confirm there are no matters that we are required to report.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council .
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Council's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the non-audit services that we have been engaged to provide or charged from the beginning of the financial year to 9 March 2026, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Dorset Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees.

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Certification of housing benefit subsidy	25,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £25,000 in comparison to the total fee for the audit of £611,529 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of teachers pension agency return	12,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £611,529 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance (Continued)

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Council's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Financial reporting changes

Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for 2026/27.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for 2026/27.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from 2027/28.

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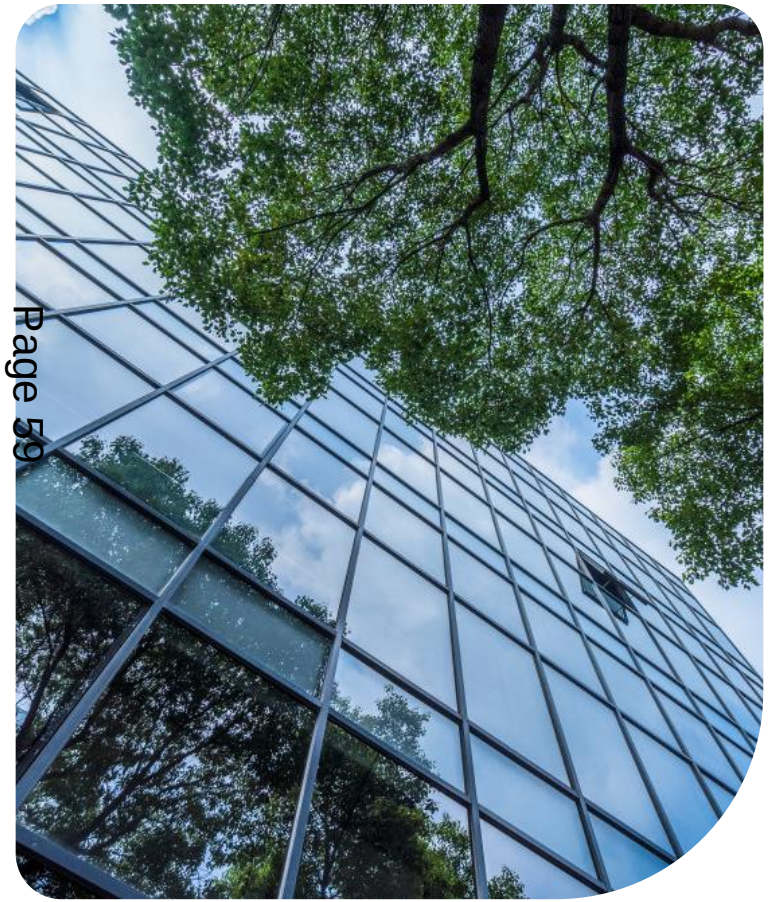
The Audit Plan for Dorset County Pension Fund

Year ending 31 March 2026

April 2026

Contents

Introduction and headlines



Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Dorset County Pension Fund ('the Fund') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end, and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Fund. We draw your attention to these documents in the links below.

- Terms of Appointment from 2023/24 - PSAA
- Statement of responsibilities of auditors and audited bodies from 2023/24 audits - PSAA

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance Committee), and we consider whether there are sufficient arrangements in place at the Fund.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of their responsibilities. It is the responsibility of the Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Fund is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Fund's business and is risk-based.

Introduction and headlines (Continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- management override of control;
- valuation of level 3 investments; and
- valuation of directly held properties.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £78 million (2024/25 £75 million) for the Fund, which equates to 1.77% of your gross investment assets as at 30 September 2025.

Clearly trivial has been set at £3.90 million (2024/25 £3.75 million).

We have determined a lower specific planning materiality for:

- benefits payable of £18.0 million (In the prior year, a lower specific materiality for the fund account set at £23 million).
- contributions of £17.4 million (In the prior year, a lower specific materiality for the fund account set at £23million).

We have considered the need for an associated trivial amount linked to the above and determined that one is not required.

Audit logistics

Our risk assessment and planning commenced in February 2026, and our final audit work will take place in mid-June to August 2026. Our key deliverables are this Audit Plan, our Auditor's Report, our Auditor's Consistency Statement and our Audit Findings Report.

Our proposed fee for the audit is £115,886 (2024/25: £103,992) for the Fund, subject to the Fund delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we, as a Firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Audit team's assessment	Planned audit procedures
Management override of controls **Significant** Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	We will: • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgments applied by management and consider their reasonableness with regards to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

"In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgement, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK)." (ISA (UK) 315).

In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK) 550).

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions **Rebutted** Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	We have identified and completed a risk assessment of all revenue streams for the Fund. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. Therefore, we do not consider this to be a significant risk for the Fund.	We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.

Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgemental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgements and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
The expenditure cycle includes fraudulent transactions **Rebutted** Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to improper recognition of expenditure.	We have identified and completed a risk assessment of all expenditure streams for the Fund. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is no significant risk, because: • there is little incentive to manipulate expenditure recognition; • opportunities to manipulate expenditure recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. Therefore, we do not consider this to be a significant risk for the Fund.	We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Significant Valuation of level 3 investments The valuations of level 3 investments are a significant accounting estimate based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud.	By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant accounting estimate by management in the financial statements due to the size of the balance (£734 million) and the sensitivity of the estimate to changes in key assumptions. We have therefore identified the valuation of Level 3 investments as a significant risk.	We will: • document and evaluate management's processes for valuing Level 3 investments; • obtain and review the audited financial statements of the investment accounts, where these are at a different reporting date to the Fund's financial statements: o the valuations will be compared to the year end reporting date after accounting for cashflows, and o obtain and review the corresponding investment manager report (capital statement) as at the investment accounts audit date with the audited accounts and follow up significant differences; • independently obtain and review the corresponding investment manager reports (capital statements) as at the reporting date and compare to the financial statements; • review purchase and sale transactions of investments near the reporting date where appropriate; • review the guidelines under which investments have been valued at the date of the investment accounts and the Fund accounts; • review management's classification of the assets; and • obtain and review investment manager service auditor report on design and operating effectiveness of relevant internal controls where appropriate.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Significant Valuation of directly held property The valuations of directly held property are a significant accounting estimate based upon a number of judgments and key assumptions and hence there is a risk of material misstatement due to error and/or fraud.	The Fund has investments of £212 million in directly held property as at 31 March 2025 which have been valued by management's expert. These valuations represent a significant accounting estimate by management in the financial statements due to the size of the balance (£212 million) and the sensitivity of the estimate to changes in key assumptions. We have therefore identified the valuation of directly held property as a significant risk.	We will: • evaluate management's processes for valuing directly held property investments; • assess the qualification, competence and objectivity of the expert; • obtain and review the valuation report provided by management's expert; • review the methodology and assumptions used in the valuation; • review the movement in valuation from the prior year where appropriate; and • review the inputs and significant assumptions used as part of the valuation for a sample of assets.

Other matters

Other work

The Fund is administered by Dorset Council (the 'Council'), and the Fund's accounts form part of the Council's financial statements.

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Fund's financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
  - giving electors the opportunity to raise questions about your 2025/26 financial statements, consider and decide upon any objections received in relation to the 2025/26 financial statements
  - issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State
  - application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
  - issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the Fund's financial statements included in the Fund's annual report with the audited Fund's accounts.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Other matters (Continued)

2025 triennial valuation

Under Regulation 62 of the Local Government Pension Scheme Regulations 2013 the Fund must obtain an actuarial valuation of its assets and liabilities every three years. The latest valuation is as at 31 March 2025 (published in March 2026). The purpose of the valuation is to set employer contribution rates for the period from 1 April 2026 to 31 March 2029. It also provides the source data for actuaries to prepare their estimate of the actuarial present value of promised retirement benefits at the Fund level, as required under *IAS 26 - Accounting and Reporting by Retirement Benefit Plans*, and provides the base for actuaries to roll forward their estimates and assumptions from the triennial valuation to annually estimate individual employers' pension liabilities between triennial revaluations as required by *IAS 19 – Employee Benefits*.

The data used by actuaries to produce IAS 19 liabilities and assets can be broadly split into two categories:

1) Individual member data used to calculate the triennial valuation liabilities and assets which the IAS 19 liabilities and assets are based on.
2) Data used to carry out the roll-forward calculation from the triennial valuation liabilities and assets to the IAS 19 liabilities and assets. This data is provided by administering authorities and the relevant employers.

As auditors, we therefore need to test the individual member data used by the actuaries in their triennial valuation calculations (Item 1) against independent records every three years and Item 2 testing is carried out annually. The work for Item 1 will involve picking a sample of members across actives, deferreds and pensioners and testing a number of separate data sets within each category. Item 2 testing is included within the annual scale fee but Item 1 is additional work that will be need to be subject to a fee variation. Our proposed fee variation is on Page 19.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter & Description	Planned audit procedures
Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements	We determine planning materiality in order to: • establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements • assist in establishing the scope of our audit engagement and audit tests • determine sample sizes, and • assist in evaluating the effect of known and likely misstatements in the financial statements.
Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	An item may be considered to be material by nature when it relates to instances where greater precision is required. Additionally, there may be items which we feel would benefit from a lower specific materiality for those account balances (e.g. benefits payable within the Fund Account). Details of lower specific materialities applied can be found on the next page.
Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (Continued)

Materiality	Amount (£)	Qualitative factors considered
Headline materiality for the Fund's financial statements	£78,000,000	Headline Materiality for planning equates to 1.77% of your gross investment assets as at 30 September 2025. We considered the business environment and industry conditions in which the Fund operates in determining our materiality.
Lower specific materiality for Benefits Payable	£18,000,000	The lower specific materiality for benefits payable equates to 10% of the benefits payable figure as at 31 March 2025. We considered the business environment and industry conditions in which the Fund operates in determining our materiality.
Lower specific materiality for Contributions	£17,400,000	The lower specific materiality for contributions equates to 10% of the contributions figure as at 31 March 2025.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Fund's financial statements, which resulted in 6 recommendations being reported in our 2024/25 Audit Findings Report. We have followed up with management the progress of implementing our recommendations and updated position on the actions taken to address the recommendations are detailed below and on the next page. We will undertake our own assessment of progress as part of our detailed procedures.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	Our audit work has identified that journals below £50k are posted directly into SAP without authorisation. Journals above £50k are required to be approved prior to posting with the exception of FB05 transactions. This increases the risk of error and the potential for fraud and management override of controls. We recommended that compensatory controls are put in place.	The financial system currently used by the Council does not allow for approvals within the system. This will be reviewed as part of the process for implementing a replacement system. The process for approval of journals in the pension fund accounts is the same as that for the 'main' Council accounts. Journals are approved retrospectively. Journals over £50k are approved by a Service Manager, and Senior Accountants are now responsible for approving journals under £50k.
progress	We have again identified that there was no budget monitoring undertaken for the pension fund. Investments are monitored throughout the year but there is no monitoring of items within the fund account such as management expenses, benefit payments and contributions. Monitoring and reporting of these values through out the year would help early identification of anomalies. We recommended that a budget for fund account items is developed and reporting against throughout the year.	A 2025/26 budget has been developed. Contributions are monitored and a summary of any late contribution payments is reported to senior management on a monthly basis. The pension fund cashflow helps us to monitor items such as contributions and benefits as it provides a clear picture of expected cash inflows and outflows. A budget for 2026/27 is being finalised and there will be quarterly reporting of this to the Pension Fund Committee.
In progress	Our testing of starters and leavers identified that a number of leavers did not have leaving dates recorded. This was due to a backlog of leaver processing within the Pension Fund team. All leavers tested had left and evidence to support this was provided. However, their pension leaving date and status had not been updated in the UPM system. We recommended that status updates are processed in a more timely manner.	Typically, the leaver processes are processed in a timely manner in line with KPIs and Service Level Agreements covered within the pension fund's administration strategy. However, there may be instances where delays for deferments occur due to resource needing to be pooled on work areas of a higher priority.

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	We identified issue in our testing wherein transfers in payment relating to 2023/24 was only recognised in the general ledger in 2024/25 due to resourcing issue creating backlog in pensions admin team. This creates risk that material transaction could be missed causing material error within the accounts. We recommended that management should ensure adequate resource and controls to be put in place to ensure transactions are recorded in the timely manner.	Typically, transfers in payment are processed in a timely manner but there may be instances where delays occur due to resource needing to be pooled on work areas of a higher priority. It is highly unlikely that such transactions would be material and, if they were, that they would be missed.
In progress	Our testing identified that the Fund does not have its own assessment of the classification and valuation level of the investments they hold as well as the detailed breakdown of their cash equivalent under Level 1 and 2 investments. They solely rely on their custodian to provide this assessment and information. This cause some delays in the audit wherein we had been back and forth with the Fund to obtain this information. Due to the significance of the investment the Funds hold, there is a risk of material misstatement in the disclosure if the classification is incorrect. We recommended that management should ensure they have their own assessment of their valuation bases in line with CIPFA Code and they should maintain own records of their investment asset. This should be readily available for audit at beginning of fieldwork.	The classification of the pension fund's assets by Fair Value hierarchy is initially undertaken by the pension fund's custodian, then reviewed by officers, but we agree that the reasons for the classification of each asset should be readily available each year at the beginning of audit field work.
In progress	Our review of investments disclosures identified that the tenancy schedule were not updated by the Fund and its property manager. It still includes properties that were sold by the Fund and some of the annual rent were not updated in line with the latest agreed rent. This resulted to disclosure error in future minimum lease receivable payments which the Fund amended. This creates risk of material error within the disclosure. We recommended that management ensure the tenancy schedule is up to date.	Agreed. Management has flagged this with CBRE Investment Management who is responsible for the tenancy schedule. As part of the year-end close process, management will review the relevant disclosures to ensure the tenancy schedule is current and that any properties sold have been removed appropriately.

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
SAP	Financial Reporting	Roll forward ITGC assessment
Civica (UPM)	Member Data	Roll forward ITGC assessment

Logistics

The audit timeline

Key Dates:

- Year end: 31 March 2026
- Audit and Governance Committee: 27 April 2026
- Close out: September 2026
- Audit and Governance Committee: 16 November 2026
- Sign off: 30 November 2026

Audit phases:

- Planning & Interim – March 2026
- Final – June to August 2026
- Completion – September 2026

Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Document design effectiveness of systems and processes
- Document understanding of the business and identification of any audit risks

Key elements

- Agree timetable and deliverables with management and Audit and Governance Committee
- Issue the Audit Plan to management and Audit and Governance Committee
- Planning meeting with Audit and Governance Committee to discuss the Audit Plan

Key elements

- Audit team to complete fieldwork and detailed testing
- Weekly update meetings with management

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- Draft Audit Findings issued to Audit and Governance Committee
- Audit Findings presentation to Audit and Governance Committee
- Finalise and sign financial statements and audit report

Our team and communications

Grant Thornton core team

Julie Masci
Engagement Lead

- Key contact for senior management and Audit and Governance Committee
- Overall quality assurance
- Pool of specialists and other technical specialists (e.g., IT audit)

Chrissa Viente
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Shashank Agrawal
Audit In-charge

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	• Client Surveys	• The Audit Plan • Audit Progress and Sector Update Reports • The Audit Findings • Auditor's Annual Report	• Audit planning meetings • Audit clearance meetings • Communication of issues log	• Technical updates
Informal communications	• Open channel for discussion		• Communication of audit issues as they arise	• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit In-charge and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

Our fee estimate

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made while preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.
- Our fee estimate also assumes that you will engage suitably competent experts to assist management in valuation of directly held properties.

Audit fee

Description	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Dorset County Pension Fund Audit	£93,992	£100,886
2025 triennial valuation data testing	-	£5,000
Direct properties valuation work	£10,000	£10,000
Total (Exc. VAT)	**£103,992**	**£115,886**

Non-audit fee

Description	Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
IAS 19 letters to auditors of bodies outside the NAO code	£1,100	£1,100
Total (Exc. VAT)	**£1,100**	**£1,100**

This covers all services provided by us and our network to the Fund, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

Our fee estimate

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's Ethical Standard (revised 2024) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023, PSAA awarded a contract of audit for Dorset County Pension Fund to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £100,886.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here Fee Variations Overview – PSAA

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no matters that we are required to report.

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund and/or Administering Authority that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund and/or Administering Authority or investments in the Fund and/or Administering Authority held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund/Administering Authority as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Fund and/or Administering Authority.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's and/or Administering Authority's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Fees and non-audit services

The following tables below sets out the non-audit services charged from the beginning of the financial year to 31 March 2026, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the Fund's policy on the allotment of non-audit work to your auditor

None of the below services were provided on a contingent fee basis

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Dorset County Pension Fund. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees.

Grant Thornton UK LLP also acts as the statutory auditor of Dorset Council. The fees for the audit and non-audit services charged for this entity are reported in its Audit Plan. We consider that such services and fees do not impair our independence.

Assurance Service Fees

Service	£	Threats Identified	Safeguards applied
Audit Related Assurance			
IAS 19 Assurance letters for Admitted Bodies outside of the NAO Code of Audit Practice	£1,100 per letter	Self-Interest (because this is potentially a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the total fee for this work is £1,100 in comparison to the total proposed fee for the audit of £115,886 and relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self-Review	We have not prepared the financial information on which our assurances will be used by the requesting auditor to form an opinion on as part of their opinion on the financial statements of the admitted body. Any decisions whether to change controls over, or edits required to, financial information arising from our findings will be a matter for informed management.
		Management	The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We may make recommendations to the Fund in respect of control weaknesses, in the same way as we would in an audit of financial statements. Informed management understand the operation of systems and can challenge our recommendations as appropriate.

Communication of audit matters with those charged with governance

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●

Communication of audit matters with those charged with governance (continued)

Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Fund's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Escalation Policy

The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit and Governance Committee (at next available Audit and Governance Committee meeting or in writing to Audit and Governance Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the audit and governance committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

Financial reporting changes

New or revised accounting standards that have been adopted by the CIPFA Code for 2025/26

Amendments to IAS 21 – Lack of Exchangeability

IAS 21 *The Effects of Changes in Foreign Exchange Rates* has been amended by the IASB to clarify how an entity should assess whether a currency is exchangeable and how it should determine an appropriate spot exchange rate when exchangeability is lacking. The amendments introduce more detailed guidance on identifying a lack of exchangeability and on estimating a spot exchange rate in such circumstances. These amendments have been adopted by the Code from 1 April 2025.

IFRS 17 – Insurance Contracts

IFRS 17 Insurance Contracts was issued by the IASB in May 2017 and has been adopted by the CIPFA Code for local authority accounting from 1 April 2025. The standard introduces a new comprehensive framework for the recognition, measurement, presentation and disclosure of insurance contracts, replacing IFRS 4. Key features of IFRS 17 include the introduction of revised measurement models for insurance liabilities, the contractual service margin to defer unearned profit, new presentation requirements and significantly enhanced disclosures aimed at improving transparency and comparability.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for 2026/27.

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Audit and Governance Committee
27 April 2026
Risk Management Update
For Review and Consultation

Cabinet Member:
Cllr N Ireland, Leader of the Council, Climate, Performance and Safeguarding

Local Councillor(s):
N/A

Senior Leadership Team:
S Ford, Corporate Director, Strategy, Performance and Substainability

Report author and job title:
Chris Swain, Risk Management & Reporting Officer

Email:
chris.swain@dorsetcouncil.gov.uk

Statutory Authority:

Although there is no statutory requirement for a risk management update, Dorset Council's Constitution and governance best practice set a clear expectation that the Audit and Governance Committee should receive and review regular updates on risk management and make recommendations on the adequacy of risk management arrangements.

Report status: Public (the exemption paragraph is N/A)

1. **Executive summary**

1.1 This report provides the Audit and Governance Committee with the first thematic risk management update, following the committee's agreement in January 2026 to adopt a more dynamic and analytical approach to risk reporting. The thematic model is designed to strengthen the committee's ability to provide independent assurance on the adequacy and effectiveness of Dorset Council's risk management framework, and internal control environment.

1.2 For this first cycle, the committee expressed interest in undertaking deeper analysis of two strategic level risks aligned to the Data and Information Management and Security Principal Risks. These risks, Risk 22 (Digital Information Management) and Risk 91 (Cyber Security), have been identified as among the most significant in their potential impact on delivering Dorset

Council's key organisational objectives. Both sit at the higher end of the risk profile, with clear implications for operational resilience, information integrity, and service continuity. Their associated risk appetites (Open for information management and Averse for security) provide an important framing for consideration of the **"Annual Information Governance Report"** and **"Protecting our council - cyber security risk management and future improvement plans"** papers presented to this same committee meeting.

1.3 The transition to thematic reporting represents an opportunity to offer richer insights and support more targeted committee assurance activity, enabling the committee to assess the adequacy of controls and make recommendations to strengthen the internal control environment where appropriate.

1.4 Progress continues across several key areas of improvement within the risk management framework. Work remains ongoing with directorate leads to review and strengthen the Risk Scoring Matrix, ensuring clearer definitions of impact and likelihood, improved granularity, and embedding of risk appetite into scoring. This work also aims to introduce appropriate automation to enhance usability and the quality of risk data. An update on progress will be presented to the committee in June 2026.

1.5 The Policy, Intelligence and Performance Service is advancing its programme of work to align Southwest Audit Partnership (SWAP) audit activity with the Council's risk management framework. This alignment supports a more risk-based approach to managing audit recommendations, ensuring that outstanding actions can be viewed through the lens of residual exposure and organisational risk appetite. A detailed account of progress will be provided in the **"Audit actions update Report"** to this same committee meeting.

1.6 Quarter 3 has achieved 100% Risk Register compliance, maintaining strong organisational discipline in the review and maintenance of strategic risks. This supports continued transparency and consistency in how risks are articulated, assessed, and monitored.

1.7 The next risk management update, scheduled for 29 June 2026, will present Quarter 4 risk data, along with updates on the Risk Scoring Matrix and further thematic analysis of the risk environment.

2. **Recommendation(s)**

That the committee:

- **Note** their selected Strategic Risks and their associated risk appetites, as context for the committee's consideration of the **"Annual Information Governance Report"** and **"Protecting our council - cyber security risk management and future improvement plans"** papers presented to this meeting of the committee.

- **Consider** the adequacy of current risk controls and the appropriateness of the stated risk appetite for each principal risk and make recommendations to strengthen the internal control environment where appropriate.
- **Agree** to receive an update on the progress of the review of Dorset Council's risk scoring matrix at the next risk management update on 29 June 2026
- **Note** the Quarter 3 risk data (Appendix A) and identify any areas for future committee focus or where deeper assurance may be required, ahead of the thematic review scheduled for 29 June 2026.

3. **Reason for the recommendation(s)**

3.1 To ensure that the council's risk management approach enables informed, risk-based decision-making while remaining proportionate and aligned with organisational objectives and key deliverables.

4. The report

4.1 Following agreement by the committee on the 12 January 2026, April's Risk Management Update is the first to be presented under the newly adopted thematic approach. This approach has been designed to support the committee in fulfilling its constitutional responsibility to:

> *"Provide independent assurance to the council on the adequacy and effectiveness of the governance, risk management framework and internal control environment."*

4.2 Committee members have expressed an interest in undertaking deeper analysis of two strategic level risks relating to the council's Data and Information Management and Security principal risks. As strategic risks, these have been identified collaboratively with senior leaders as among the most significant to the organisation's ability to deliver its key objectives.

Last year, following close collaboration with the committee, the organisation adopted a risk appetite statement, as part of the Risk Management Framework. This framework sets an agreed risk appetite for each Principal Risk, providing important context for the committee's review of the selected risks.

4.3 A summary table of the committee's selected strategic risks, alongside the associated Principal Risk and the adopted risk appetite, is provided below. Further detail is provided in the accompanying **"Annual Information Governance Report"** and **"Protecting our council - cyber security risk management and future improvement plans"** papers. These papers give the committee the opportunity to assess the adequacy of current controls,

consider whether the stated risk appetite remains appropriate, and recommend any improvements to the internal control environment.

ID	Risk Title	Principal Risk	Risk Appetite	Risk Rating
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	Data and information management	**Open:** "Dorset Council accepts that openness and information sharing is needed for effective operations in a controlled environment"	High
91	As a result of a successful cyber-attack, Dorset Council's IT systems may be compromised leading to a loss of service of data	Security	**Averse:** "Dorset Council has no tolerance for security risks causing loss or damage to its property, assets, information or people with stringent control measures in place"	Very High

Development of the Risk Management Framework

4.4 We continue to apply ongoing review and refinement of the Risk Management Framework. As the Risk Appetite becomes further embedded within directorates, we are identifying areas where stated appetite may not yet fully align with organisational culture and practice. This engagement, alongside the thematic approach with the committee, enables us to "stress test" our framework in practice and refine where needed.

Building on the commitments set out at January's committee, work continues in collaboration with directorate leads, to review and strengthen Dorset Council's Risk Scoring Matrix. This review will enhance the clarity and granularity of impact and likelihood definitions, incorporate automation and align more closely with the organisations risk appetite to improve usability and

data quality. A progress update will be provided in the next Risk Management Update scheduled for 29 June 2026.

4.5 The Policy, Intelligence and Performance Service continues to progress the alignment of SWAP audit findings with the Council's risk management framework. This work will support a more risk-based response to audit actions, consistent with organisational risk appetite. A detailed update will be provided as part of the **"Audit actions update Report"** being considered at this committee.

Risk Reporting

4.6 Quarter 3 has achieved another cycle of 100% Risk Register compliance, with all strategic risks reviewed and updated in accordance with the Enterprise Risk Management Framework.

Appendix A sets out the full summary of the strategic risk profile. This includes Risk ID 200 – Health Service Reform, which is being managed through a senior level, cross directorate group to ensure appropriate oversight and coordination as the risk continues to evolve.

The committee is invited to note this position and to identify any areas where it may wish to request further assurance, or propose topics for future focus, in advance of the thematic review scheduled for 29 June 2026.

4.7 The next Risk Management Update will present Quarter 4 risk data at the committee meeting on 29 June 2026.

5. Alternative options considered

5.1 None

6. Legal considerations

6.1 There are no direct legal implications arising from this report. However, unmanaged risks could compromise Dorset Council's ability to meet its statutory obligations.

7. Financial implications

7.1 There are no direct financial implications arising from this report. However, unmanaged risks could threaten Dorset Council's financial stability. In addition, implementing risk controls may have budgetary impacts, which would be progressed through the appropriate governance in accordance with the Scheme of Delegation and the Council's Constitution.

8. Natural environment, climate & ecology implications

8.1 There are no specific implications for the natural environment, climate, or ecology arising from this report; however, the Corporate Risk Register does identify several risks within this category.

9. Well-being and health implications

9.1 There are no specific health or well-being implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

10. Other implications

10.1 None

11. Risk implications

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

Current Risk: N/A

Residual Risk: N/A

This report outlines Dorset Council's Risk Management Framework, along with its strategic risks. As the report is for information only, it does not require a risk decision rating. The appendix provides an update on the current strategic risks.

12. Equalities

12.1 There are no specific equality implications arising from this report; however, the Corporate Risk Register does identify several risks within this category

13. Appendices

13.1 Appendix A – Strategic Risks (Quarter 3 2025-2026)

14. Background papers

14.1 Audit and Governance Committee Risk Management Update 12 January 2026

14.2 Risk Management Framework - Dorset Council

15. Report sign-off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

APPENDIX A

Audit and Governance Committee

27 April 2026

Strategic Risks

Quarter 3 2025-2026

Strategic Risks According to Impact and Likelihood Scores:

The table illustrates the spread of all Strategic Risks (identified by their ID's).

All Strategic Risks are reported to SLT and relevant Scrutiny Committees. Strategic Risks that are aligned with Council Plan priorities are reported via the Council Plan performance monitoring dashboards.

Impact	Catastrophic			**194**	**91**	
	Major	**196**	**39, 167**	**82, 106, 158, 164, 245, 294, 313, 314**	**22, 92, 127**	**200**
	Moderate		**169, 195, 231, 265, 285**	**29, 89, 90, 140, 153, 161, 197, 233, 235, 242, 244**	**145, 146**	
	Slight	**81**	**151**	**199**		
	Limited	**182**	**179**			
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

Adults and Housing

ID	Adults and Housing Risk	Strategic Priority	Principal Risk(s)	Risk Rating
140	Due to high levels of adult safeguarding referrals, Dorset Council may fail to keep adults safe who have care and support needs, leading to potential harm or abuse	Communities for all	Legal, Operations, Reputation	Medium
145	The impact on the Adult Social Care Service user budget of funding for people who previously funded their own care in residential/nursing care settings and now require funding by the local authority.	Communities for all	Finance, Operations	High
146	Due to the demand on hospital bed stock, patients with higher complexity needs may be delayed hospital admission, leading to increased demand for Council run services	Communities for all	Operations, Reputation	High
151	As a result of capacity in the voluntary and community sector, Dorset council may not be able to provide sufficient care and support to residents, leading to a failure to deliver communities for all	Communities for all	Commercial, Operations, Reputation	Low
153	Impact of rises in NLW 26/27	Key organisational deliverable, Communities for all	Commercial, Operations, Reputation	Medium

ID	Adults and Housing Risk	Strategic Priority	Principal Risk(s)	Risk Rating
158	The supply of homes and temporary accommodation is insufficient to meet demand	Provide high quality and affordable housing	Commercial, Operations, Project / programme, Property, Reputation	High
161	Poor quality private rented sector housing may lead to increased social, health and economic pressure on households and therefore higher demand for Council services	Provide high quality and affordable housing	Project / programme, Property, Reputation	Medium
164	Due to corporate, market and partnership conditions, the home-in on housing programme may not achieve the housing strategy objectives, leading residents being unable to access affordable, suitable, secure homes	Provide high quality and affordable housing	Finance, Operations, Reputation	High
167	Due to the abolition of NHS England, commissioning arrangements for local health services may be disrupted, leading to service delivery and financial sustainability consequences for social care	Communities for all	Commercial, Finance, Operations	Medium

Children's Services

ID	Children's Services Risk	Strategic Priority	Principal Risk(s)	Risk Rating
169	Difficulty recruiting or retaining qualified staff, may lead to service gaps, weakened safeguarding, and failure to meet children's needs early, increasing the likelihood of poor outcomes for children and families	Communities for all, Key organisational deliverable	Finance, Legal, Operations, People, Reputation	Medium
179	Due to low engagement in education, employment or training, care leavers may develop social and/or economic isolation, leading to poorer life outcomes and increased demand for local services	Communities for all	Finance, Operations, Reputation	Low
182	As a result of a lack in financial or strategic commitment, the Early Help Partnership may fail, resulting in the increased demand for statutory services including child protection and the number of children in care	Communities for all	Finance, Operations, Reputation	Low
194	Instability in the High Needs Block budget may create an increased deficit in the Dedicated Schools Grant (DSG) resulting in a deficit in Dorset Councils financial position.	Key organisational deliverable	Finance, Legal, Reputation	High
195	Due to demand for service provision, Education, Health and Care Plans may not be delivered within statutory timescales, leading to a failure to deliver children's educational needs and an increase in SEND tribunals	Communities for all	Legal, Operations, Reputation	Medium
196	Due to the transition of some schools to Academy Trusts, Dorset Council may face challenges in influencing KS2	Communities for all	Operations, Reputation	Low

ID	Children's Services Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	attainment, potentially resulting in a limited ability to improve results beyond the national average			
197	Due to the removal of the ability for Early Years (EY) settings to charge 'top ups' for early education funded places, there may be insufficient early education places available	Communities for all	Operations, Reputation	Medium

Corporate Development

ID	Corporate Risk	Strategic Priority	Principal Risk(s)	Risk Rating
81	As a result of slower economic growth, Dorset Council may see a stagnation in revenue streams, creating budget pressures that impact the Council's ability to fund services	Grow our economy	Finance, Reputation	Low
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	Key organisational deliverable	Commercial, Finance, Legal, Reputation, Security	High
89	Due to local government funding arrangements, Dorset Council may have to reduce its workforce in lieu of transformation, leading to insufficient resource to deliver services	Key organisational deliverable	Finance, Operations, People	Medium

ID	Corporate Risk	Strategic Priority	Principal Risk(s)	Risk Rating
90	As a result of the impact of change due to transformation, Dorset Council may be unable to retain necessary staff and maintain employee wellbeing, leading to a skills gap and reduced organisational resilience	Key organisational deliverable	Operations, People	Medium
91	As a result of a successful cyber-attack, Dorset Council's IT systems may be compromised, leading to a loss of service or data	Key organisational deliverable	Data and information management, Finance, Legal, Operations, Security	Very High
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	Key organisational deliverable	Date and information management, Finance, Legal, Operations, Reputation, Security, Technology	High
106	Due to the effects of climate change and extreme weather events, Dorset Council may be unable to adapt its services and infrastructure leading to reduced resilience in service delivery to residents and in our communities	Respond to the climate and nature crisis	Finance, Legal, Property, Reputation	High
127	Due to inadequate levels of resourcing, the organisations transformation work may not achieve its objectives, leading to incomplete benefits to service delivery, customer experience and cost savings	Key organisational deliverable	Finance, Operations, People, Project / programme, Reputation	High

Legal and Democratic

ID	Legal and Democratic Risk	Strategic Priority	Principal Risk(s)	Risk Rating
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	Key organisational deliverable	Data and information management, Operations, Reputation, Security, Technology	High
29	Emergency Planning - Lack of robust business continuity framework (policy and processes; testing and leadership) results in service failure	Key organisational deliverable	Data and information management, Legal, Operations, Reputation, Security, Technology	Medium
39	Information Compliance - Dorset Council may not be able to demonstrate evidence such as required training levels to support the NHS Digital Toolkit leading to a withdrawal of access to NHS data and systems	Key organisational deliverable	Data and information management, Security, Technology	Medium

Place

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
231	Due to extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its land drainage and wastewater assets, leading to	Respond to the climate and nature crisis	Finance, Legal, Operations, Project /	Medium

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	increased, flooding, environmental and Public Health hazards		Programme, Reputation	
233	Due to a failure to adhere to existing protocols, Dorset Council may be unable to provide assurance around building safety, leading to harm to public health and potential penalties	Key organisational deliverable	Finance, Legal, Property, Reputation	Medium
235	Due to functional discontinuity in resource, systems and process, Dorset Council may not be able to demonstrate sustained best practice across the leased Estate Management Service, leading to financial and legal penalties	Key organisational deliverable	Finance, Legal, Property, Reputation	Medium
242	As a result of the ambition within the Council Plan, Dorset Council may have inadequate resources to deliver economic growth priorities, leading to missed investment and reduced productivity	Grow our economy	Commercial, Finance, Reputation	Medium
244	Due to a declining youth population and limited higher education opportunities, Dorset may be unable to build a skilled local workforce, leading to an increased skills gap and business relocation	Communities for all, Grow our economy,	Finance, Project / Programme, Reputation	Medium
245	As a result of sea level rise and extreme weather events driven by climate change, Dorset Council may not have the	Respond to the climate and nature crisis	Finance, Legal, Operations, Project /	High

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	resources to adapt its coastal defences, leading to low lying areas of the county being uneconomical to defend		Programme, Property, Reputation	
265	Due to increased EV uptake and scale of LTP programmes, Dorset Council may not deliver sufficient charging and transport infrastructure, leading to reduced growth, public health, environmental deterioration, and limits on housing targets	Grow our economy, Provide high quality affordable housing, Respond to the climate and nature crisis	Finance, Reputation	Medium
285	Due to pressures on land management and usage, Dorset Council may not meet Council Plan nature positive targets, leading to a decline in biodiversity	Communities for all, Respond to the climate and nature crisis	Finance, Legal, Reputation	Medium
294	Due to contractor failure and volatility in the waste disposal market, Dorset Council may be unable to secure reliable disposal routes, resulting in use of less favourable options and increased costs	Respond to the climate and nature crisis, Key organisational deliverable	Commercial, Finance, Operations, Reputation	High
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Grow our economy, Provide high quality affordable housing, Respond	Finance, Legal, Operations, Reputation	High

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
		to the climate and nature crisis		
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to adopt a holistic, comprehensive plan, which achieves sustainable development	Communities for all, Grow our economy, Provide high quality affordable housing, Respond to the climate and nature crisis	Finance, Legal, Operations, Project / Programme, Reputation	High

Public Health and Prevention

ID	Public Health and Prevention Risk	Strategic Priority	Principal Risk(s)	Risk Rating
199	Major incident involving synthetic opiates leads to disruption of normal business for the Public Health team	Communities for all	Operations, Reputation	Medium
200	As a result of health service reform, Dorset Council may incur additional un-provisioned responsibilities, leading to increased resourcing and budgetary pressures	Communities for all, Key organisational deliverable	Commercial, Finance, Operations, Reputation	Very High

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Audit & Governance Scrutiny Committee

27 April 2026

Audit actions update Report

For Review and Consultation

Cabinet Member:
Cllr N Ireland, Leader of the Council, Climate, Performance and Safeguarding

Local Councillor(s): All

Senior Leadership Team:
S Ford, Corporate Director, Strategy, Performance and Sustainability

Report author and job title: Chris Heighway, Strategic Performance & Risk Lead
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Statutory Authority: N/A

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1. Executive summary

1.1 This report provides the Audit & Governance Committee with an overview of performance relating to South West Audit Partnership (SWAP) audits and actions.

1.2 The report presents an update on progress made since the last committee report in January 2026, including actions completed, actions still outstanding and those overdue. All audits and actions are assessed using the council's risk scoring matrix, as defined in the risk management framework.

1.3 Our new approach places organisational risk at the heart of the Committee's work. By using risk scoring to identify where the council faces its greatest exposure, we can focus attention on the actions that have the most significant impact on strengthening internal control and resilience. This ensures committee time is focused on the areas where timely intervention delivers the greatest benefit, supported by a clear and proportionate framework for addressing overdue actions. The full SWAP audit portfolio has been risk -assessed and is presented as an annex to this report.

1.4 This report presents a thematic approach to assurance updates and reporting, aligned to the council's principal risks and scored with an inherent risk rating

that is, the level of risk should no audit action be undertaken or mitigation be in place.

1.5 Based on these risk assessments as well as direction from the committee's chairs, thematic key areas of focus this quarter are:

- ICT Assurance Mapping
- Data Maturity

1.6 For these areas, audit action activity has been collated providing a rounded and meaningful narrative to support an assurance discussion. In addition, audit action owners are reporting directly to the same committee on aligned areas of business, with the council's risk appetite and audit requirements helping to frame these broader discussions

2. Recommendations

2.1 That the committee:

- notes the SWAP audit update provided in this report, including the detailed progress report at Appendix 1.
- endorses the new risk-based governance approach to managing and reporting on SWAP audits and actions
- identifies priority thematic areas for focus at the next committee meeting on 29 June 2026.

3. Reason for the recommendations

3.1 The Audit & Governance Committee is responsible for providing independent assurance on the adequacy and effectiveness of the Council's risk management framework, internal control environment, and financial reporting arrangements. The Committee therefore requires timely, risk based updates on audit activity to enable it to discharge its assurance role effectively and to maintain oversight of areas where organisational exposure is greatest.

3.2 The recommendations support the committee in fulfilling its constitutional function to promote and maintain high standards of governance and ensure that audit findings are managed in a transparent and accountable manner. By presenting audit progress through a structured, risk aligned approach, the report strengthens Members' ability to scrutinise internal control, identify weaknesses, and seek appropriate assurance from audit action owners.

3.3 The transition of audit monitoring from SWAP to the Policy, Intelligence & Performance (PIP) service has strengthened corporate alignment between assurance, performance, and risk.

3.4 The Committee's forward looking assurance role is enhanced by the new thematic reporting approach, which prioritises areas of highest organisational risk and reflects the Committee's mandate to seek robust assurance on internal controls. This approach supports Members in understanding where audit actions have the greatest impact on strengthening internal controls.

4. The report

Transition of Audit Responsibilities and Strengthened Governance

4.1 As highlighted in the Audit & Governance Risk Management Update in January 2026, responsibility for coordinating and overseeing audit related activity has now formally transitioned from SWAP to the Policy Intelligence & Performance (PIP) service. This shift provides Dorset Council with a stronger internal line of sight across assurance, performance, and risk, enabling a more holistic, corporate approach to internal control and organisational learning.

4.2 PIP's role is centred on providing organisational grip: ensuring that audit recommendations, risk management activity, and assurance processes are aligned, proportionate, and transparent. The new arrangements also strengthen consistency in reporting and create clearer accountability pathways for action owners.

4.3 PIP is implementing a structured and maturing approach designed to enhance oversight, support improvement, and ensure the Council's assurance environment is robust and sustainable.

Aligning Audit Activity with Risk Management

4.4 All audit monitoring, follow up and reporting will be explicitly aligned to the council's risk management framework. This ensures the committee receives assurance in the areas of greatest organisational exposure.

4.5 All audits have been aligned to the Council's principal risks and assigned an inherent risk rating, that is, the level of risk assuming no action or mitigation is in place. The full SWAP audit portfolio, presented on this basis, is set out in **Appendix 1**. The action tracking information and assurance commentary included in the annex will be applied consistently across future reporting, supporting Members in triangulating risk and internal control.

4.6 This alignment will enable clearer prioritisation of audit activity, more transparent and consistent reporting, and a stronger focus on areas requiring accelerated intervention.

Strengthening Preventative Management and Action Quality

4.7 While overdue actions remain important, PIP is shifting focus towards preventative management, ensuring that actions currently within timescale do not drift. Robust monitoring and earlier involvement will help reduce the number of actions that become overdue, while ensuring existing overdue actions are addressed in a proportionate and risk based way.

4.8 PIP intends to act as a constructive, “critical friend” during the draft audit reporting stage. By working with action owners early, we will help ensure that actions are SMART, achievable, and realistically resourced. This approach aims to reduce the number of actions that later become overdue, improve the quality of internal control, and ensure audit recommendations reflect practical operational reality.

4.9 **Appendix 2** provides a visual overview of the officer-led audit tracking process that underpins the Council’s new, risk aligned approach to managing audit actions. The flowchart sets out clearly how audit recommendations move through the organisation from initial receipt of a draft report, through officer engagement and action development, to ongoing monitoring, escalation, and closure. This process is designed to strengthen organisational grip by ensuring that actions are not only agreed and resourced, but also actively managed within the Council’s established assurance and risk governance structures.

Audit Action Progress and Completion Data

4.10 Between 1 January 2026 and 9 April 2026, a total of 39 actions (6 priority 1, 19 priority 2, and 14 priority 3) were closed and completed. Of which, 28 were overdue.

4.11 The completed actions related to 14 different audits and covered a broad range of risk scores. 5 of the 14 audits carried a ‘high’ risk rating (score over 10) and 7 carrying a ‘medium’ risk rating (scores between 5-9). Notably, the majority of these audits were aligned to the Finance and Legal principal risks, demonstrating a targeted and successful focus on addressing those areas carrying the greatest organisational exposure.

4.12 The actions update is available via the Audit Actions table, with supporting narrative provided in Appendix 1.

Ongoing Response to Investigation Findings (Appendix 3)

4.13 **Appendix 3** provides a consolidated update on progress against the Investigation Audit Action Plan. This paper has been included to give the Committee clear visibility of the organisation's corporate response to the findings of the investigation and the internal controls, cultural improvements, and governance enhancements being implemented as a result.

4.14 Since the last update to Committee in November 2025, the Council has made significant progress in strengthening its response to the SWAP Health & Safety Investigation and the Contract & Expenditure Compliance Audit. All actions from the contract compliance audit have now been fully completed and verified, marking a clear milestone in improving internal control. Delivery of the Health & Safety Investigation Action Plan has advanced from initial scoping and consolidation of actions to a structured, corporately governed programme, with 10 of 35 actions completed and aside from 1 overdue Priority 2, all remaining actions have a target date of 31 May 2026.

4.15 SWAP issued a progress report to Dorset Council on 31 March 2026 regarding the implementation of the investigation audit. The report noted that no updates had been received for selected audit actions at the time of publication.

4.16 The Policy, Intelligence and Performance service has continued to actively monitor all audit actions and obtain progress updates. The most recent updates were received on 7 April 2026 and have been recorded in accordance with agreed reporting procedures. These updates are reflected in this report and present the most up-to-date and accurate position.

Thematic Focus: Information Governance

4.17 Within the papers presented for consideration at this Committee, a clear theme of Information Governance emerges. The following areas represent audits within this theme that currently carry the highest risk scores:

- ICT Assurance Mapping
- Data Maturity

ICT Assurance Mapping

4.18 The ICT Assurance Mapping audit actions are progressing and evidence submitted to SWAP to support closure of some actions with all actions aiming to be closed by April 2026. A substantial update is to be provided to committee by James Ailward, Head of ICT Operations on 27 April 2026.

Data Maturity

4.19 Across the Data Maturity audit findings, several important actions remain outstanding but remain in date. These actions broadly focus on strengthening Dorset Council's data governance, improving retention compliance, and enhancing organisational capability in data management.

4.20 A key set of actions relates to the Information Asset Register (IAR). The council must reconcile all paper and digital assets with the register, expand accuracy of Information Asset Owner (IAO) ownership records, and introduce automated review notifications. Several KPIs have been designed to measure IAO engagement and compliance, but these still require implementation and regular reporting. Engagement with IAO training remains low, and a proposal is outstanding to make IAO responsibilities training mandatory, with senior management endorsement and oversight via the Strategic Information Governance Board.

4.21 There remain outstanding actions linked to paper and digital retention compliance. The Council is progressing with reconciling paper records requiring retention decisions which potentially equates to over 80,000 items once all records have been assessed. Actions remain open to progress the structured plan to clear this backlog, introduce structured digital storage, and define/implement KPIs such as backlog clearance rates.

Future Reporting

4.22 The next audit progress report will be brought to the Committee 29 June 2026

4.23 Future reporting will continue to adopt a thematic structure, driven by either:

- the inherent level of risk attached to an audit area, or
- specific direction from the Committee.

4.24 This approach enables deeper exploration of complex or cross-cutting issues and supports more strategic oversight of areas with sustained or heightened risk exposure.

5. Alternative options considered

5.1 Not applicable. The report presents information on audit action performance and progression and does not recommend any change to council policy or new action.

6. Legal considerations

6.1 There are no legal implications arising directly from this report.

7. Financial implications

7.1 There are no financial legal implications arising directly from this report.

8. Natural environment, climate & ecology implications

8.1 The report does not have direct climate change implications.

9. Wellbeing and health implications

9.1 The report does not have direct wellbeing and health implications

10. Other implications

10.1 None.

11. Risk implications

11.1 Not applicable. The report presents information on audit progression and does not seek a decision.

12. Equalities

12.1 There are no direct equality, diversity or inclusion implications resulting from this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

13. Appendices

- **Appendix 1** provides a summative narrative of audits and actions
- **Appendix 2** provides a visual representation of the audit tracking process
- **Appendix 3** provides an update to SLT on the implementation of investigation audit actions plan.

14. Background papers

- Risk Management Framework
- Audit and Governance Committee on Monday, 12th January, 2026

15. Report sign-off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Appendices

Appendix 1. Audit & Actions Update

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Data Maturity	Data and Information Management	Open	10 (3 Overdue)	16 (High)	Three actions have become overdue out of the 10 associated with this audit. Two actions relating to Information Asset Owners overdue awaiting Strategic Information Governance Group (SIGG) in April 2026 to discuss appropriate actions. The SIGG in January 2026 was cancelled leading to a delay in moving forward these actions. The other overdue action relates to the technical build of a Power BI report to support KPI reporting. The draft report is ready to share with the next Operational Information Governance Group which is causing the delay completing this action. Sign-off of the Power BI report will lead to the closure of two outstanding actions. Of the remaining seven actions, six are due April 2027 and remain in design phase. This audit retains a high risk score due to the impact should the actions not be implemented. The approach to delivery sits within the Council's established risk appetite approach of

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					'Open' with clear escalation routes to Operational Information Governance Group and Strategic Information Governance Group in place which includes SLT involvement. Overdue actions are largely due to delays accessing appropriate escalation routes but work to complete actions well established. Some systemic barriers remain, but there are several important mitigating factors: • A formal proposal is already with the Design Authority regarding structured SharePoint sites and digital governance improvements. • KPIs for Information Governance have been developed and shared with the Operational IG Group, with reporting to commence at the Strategic Board in April 2026. • A structured plan exists to address the substantial paper retention backlog.
ICT Assurance Mapping	Data and Information Management	Open	3 (3 overdue)	16 (High)	These actions will be informed by the Public Digital audit report due in April 2026.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Children's Service Direct Payments	Finance	Cautious	4 (4 overdue)	8 (Medium)	Three of four actions awaiting closure pending submission of evidence to confirm actions have been implemented. Final action continues through approval process prior to implementation and closure.
Maintained Schools Financial Management - Schools Testing	Finance	Cautious	1 (1 overdue)	6 (Medium)	Strong progress being made with evidence collation underway with a view to closure of the action.
High Needs Block - Transaction and Case Review	Finance	Cautious	2 (2 overdue)	6 (Medium)	All actions remain outstanding, primarily due to dependencies on the implementation and data quality validation of the new Synergy system. This system dependency acts as a mitigating factor, as the actions cannot be meaningfully progressed until the data foundation is stabilised. There are also year-end operational pressures limiting capacity. While this explains delays, visibility and performance monitoring remain constrained in the interim.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Capital Programme Adequacy and Financing	Finance	Cautious	2 (0 overdue)	16 (High)	SLT paper (Feb '26) to assure on the process for driving forward the Capital Programme audit actions.
Joint Funding Arrangements	Finance	Cautious	1 (1 overdue)	12 (High)	Progress continues on strengthening oversight. The new case management system, which will support enhanced reporting and decision-tracking, while operational, does not yet support the reporting functionality required to complete the action. This is with ICT and the supplier who are actively resolving outstanding issues following escalation. Interim controls include PI oversight, spreadsheet-based monitoring, and established escalation processes.
Frontline Services Resource Management - Timesheets	Finance	Cautious	2 (0 overdue)	6 (Medium)	The two remaining actions are progressing with action owners collating the evidence in order to request closure of actions.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Governance of Financial Management in Schools	Finance	Cautious	5 (1 overdue)	9 (Medium)	All actions progressing. Currently awaiting school reports to review three findings and policy updates are underway addressing further actions. Submission of school reports will facilitate a review of actions and evidence to support closure.
DC Continuous Key Controls Payroll 2025-26 May to October (November 2025)	Finance	Cautious	1 (0 overdue)	2 (Low)	End of year processing has been prioritised and resourcing to complete this action will be ramped up following completion of end of year work. The due date was deliberately set at 31 August 2026 to allow us time to get through end of year, and for digital developments to be considered and formed so that this task completed in a timely fashion.
Safer Recruitment and Keeping Children Safe in Education	Legal	Cautious	4 (0 overdue	9 (Medium)	This action was agreed in March 2026 and remains in planning phase. Work will commence in May.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Whistleblowing Procedure Review	Legal	Cautious	2 (2 overdue)	4 (Low)	The updated whistleblowing e-learning package has been updated and is now live. This will be supported by a promotion of the training, timed to support legislative change that takes effect in April which includes sexual harassment as a protective disclosure. It is envisaged that these audit actions will be complete and closed by end of April 2026.
Subject Access Requests	Legal	Cautious	2 (2 overdue)	6 (Medium)	Progress is limited but mitigating factors are significant: • The overarching SAR policy refresh work has been delayed by a surge in operational demands from data breaches. However, processes have been updated to reflect recommendations from counsel's opinion, following a data breach that prompted this audit work. • Initial action dates were based on transformation timescales, as information compliance was originally in scope for year one Our Future Council transformation. In the interim,

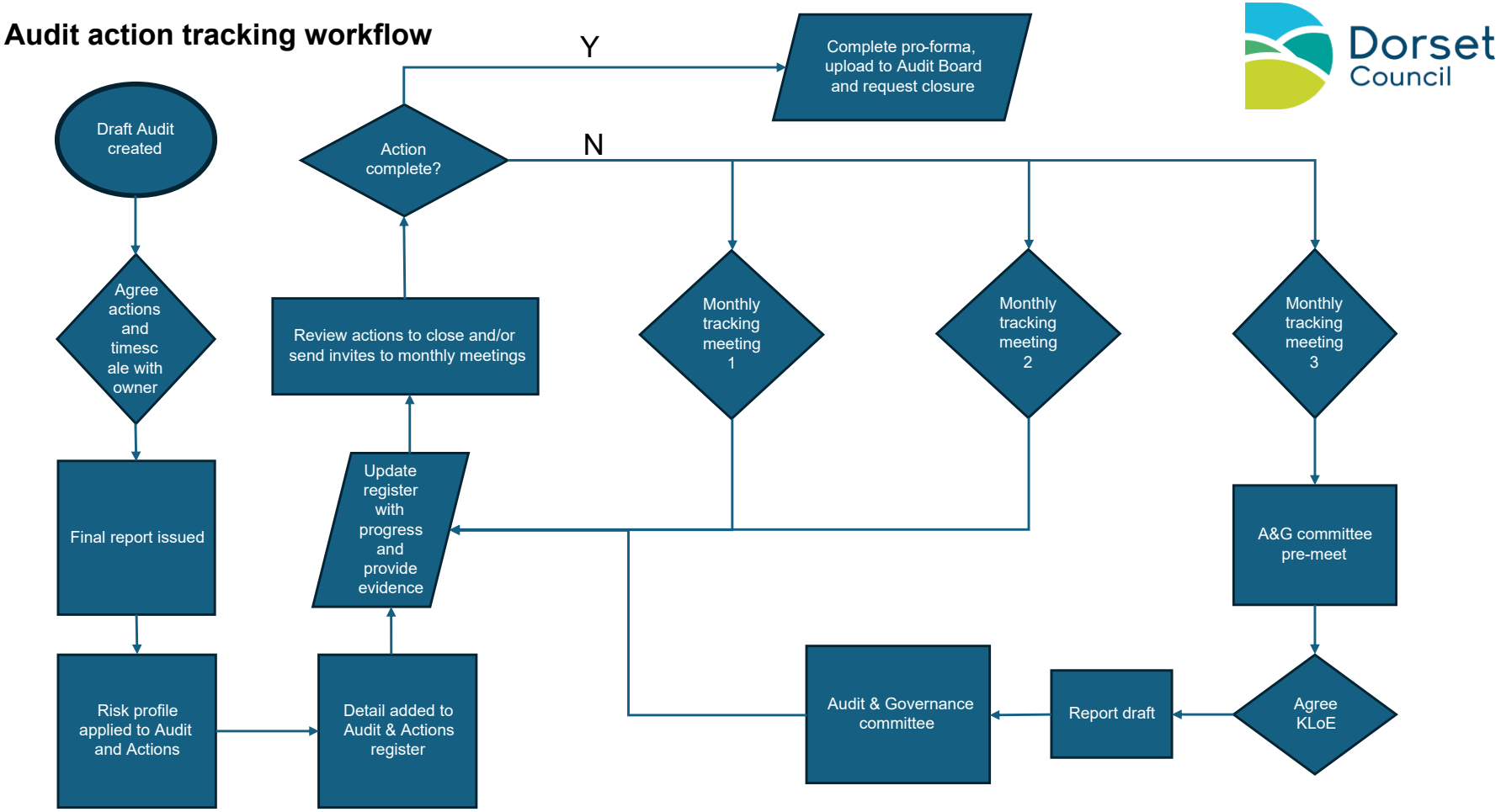
Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					discussions are due to be held with the new Business Unit to consider interim arrangements that meet the spirit of the identified action. • Some work has progressed, such as development of updated process maps. Overall, statutory and consistency risks remain, but delays are linked to genuine capacity constraints and dependency on organisational design decisions.
Planning Enforcement Service	Legal	Cautious	2 (2 overdue)	6 (Medium)	The Planning Service continues to progress the two related audit actions concerning improvements to the Planning Enforcement Register and the automation of online enforcement enquiries. Both actions remain dependent on wider project dependencies to modernise and replace the Council's online planning register. Since the last update, the service has strengthened its capacity for this work with the appointment of a Digital Planning Development Officer, whose role includes providing project management and

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					leadership for the Online Register transformation and associated data-cleansing work. Development work is underway, and the current intention is to release initial components of the new online register over the summer.
Temporary Accommodation	Legal	Cautious	8 (7 overdue)	12 (High)	Personnel changes within the service has led to a lack of progress against audit actions and reflecting in the inherent risk score. With a new Interim Corporate Director for Housing recently in post, progress will again be established.
Disclosure and Barring Service	Legal	Cautious	4 (0 overdue)	4 (Low)	All actions remain in date and in design phase. Actions relate to strengthening service resilience but existing systems in place currently ensuring regulatory compliance which is reflected in the risk scoring.
Home to School Transport Appeals	Legal	Cautious	2 (2 overdue)	6 (Medium)	Both remaining actions have been progressed significantly. Both actions subject to completion and closure pending SWAP's review.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Application of Fixed Penalty Notices in School Absence	Legal	Cautious	2 (1 overdue)	9 (Medium)	Two actions outstanding but action underway to review templates and agree statistics. Aim to complete within the next reporting quarter.
Implementation of Investigation Action Plan	Legal	Cautious	25 (1 overdue)	12 (High)	Of the 35 actions, 10 have been completed. The remaining actions, aside from 1 overdue, are due for completion by 31 May 2026.
Voluntary Redundancy (VR) Audit	People	Open	1 (0 overdue)	2 (Low)	The lessons learned framework has not yet been developed but remains in design phase and action remains in date.
ICT Change Management	Technology	Eager	2 (2 overdue)	12 (High)	Actions remain outstanding and overdue partly reflecting the risk score alongside the organisational risk of impact vs likelihood, key mitigating factors include: • ICT is awaiting completion of the OFC restructure before it can undertake ITIL v4 training, redesign processes, or address structural resourcing needs. Overall progress is constrained by transformation and structural dependencies

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					rather than lack of intent, but risks linked to external assurance and cyber security remain active.
ICT Microsoft Purview	Technology	Eager	6 (0 overdue)	9 (Medium)	All actions in date and currently within the design phase. A focus will be placed on Purview at the Strategic Information Governance Board in April, which will set strategic direction moving forward with completion of these actions.

Appendix 2. Process Flowchart



Appendix 3. Update on SWAP Health & Safety Investigation, Contract Compliance Audit and Organisational Learning

1. Overview

This annex provides an update on progress in responding to actions arising from the SWAP Health & Safety Investigation (2025) and the Contract & Expenditure Compliance Audit. It also outlines ongoing work to strengthen organisational learning across the Council.

2. Progress on SWAP Audit and Investigation Actions

2.1 Contract & Expenditure Compliance Audit

All actions from the SWAP audit examining compliance with the Council Constitution and Scheme of Delegation have been completed. Completion has been verified by SWAP and confirmed through internal monitoring processes.

2.2 SWAP Health & Safety Investigation (2025)

The investigation generated 35 actions, comprising:

- 6 Priority 1 actions
- 29 Priority 2 actions

Progress to date:

- 10 actions completed (3 Priority 1 and 7 Priority 2)
- 25 actions remain in progress; 1 Priority 2 is overdue as of the 31/03/2026, however all others have a target completion date of 31 May 2026

To ensure assurance work reflects completed actions, SWAP's annual review has been rescheduled from April to June 2026.

3. Organisational Learning

Work is ongoing to strengthen the Council's approach to organisational learning to ensure improvements extend beyond action completion.

Three organisation wide improvements have already been implemented:

- Establishment of an organisational learning oversight group
- Allocation of programme resource from Transformation
- Introduction of a clear reporting process, including timelines, ownership and evidence requirements

Development of a wider organisational learning programme remains underway. Analysis highlights that successful delivery of audit actions alone will not evidence the depth of cultural and systemic change required. A more comprehensive

approach is therefore being developed working closely with the senior leadership team.

Several investigation related actions concerning officer declarations and commercial and procurement procedures are progressing as planned and are expected to remain on track ahead of the next scheduled Audit & Governance Committee update.

4. Emerging Organisational Learning Framework

A draft theory of change has been developed to provide a structured and measurable approach to organisational learning. It identifies five themes through which improvements in governance, systems and behaviours can be embedded:

1. Governance arrangements – clarity and suitability of decision making structures, delegations and accountability
2. Operational practice – effectiveness of project management, procurement, commissioning and recruitment processes
3. Leadership – clarity and consistency of leadership expectations and behaviours
4. Knowledge and understanding – training, induction and guidance to ensure officers understand rules and processes
5. Behaviours – reinforcement of organisational values through appraisal, coaching and mentoring

This work will be aligned with wider organisational transformation, including the development of the Council's ambition to become a modern and sustainable unitary authority.

5. Next Steps

Planned next steps include:

- Refinement of the themes within the theory of change
- Development of targeted interventions for each theme
- Creation of measures to track progress and impact
- Allocation of ownership and responsibility for each theme
- Consolidation of interventions, metrics and timelines into a comprehensive organisational learning programme

A further update, including a detailed programme and implementation plan, will be developed in summer 2026.

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Audit and Governance Committee
27 April 2026
Annual Information Governance Report
For Review and Consultation

Cabinet Member:
Cllr N Ireland, Leader of the Council, Climate, Performance and Safeguarding

Senior Leadership Team:
J Mair, Director of Legal & Democratic

Report author and job title: Marc Eyre, Service Manager for Assurance
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Statutory Authority: Information Commissioner

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

1.1. This is the fourth Annual Information Governance Report, to be presented to the Audit and Governance Committee. The aim of the report is threefold: i) to provide an update on information governance activity; ii) to provide assurance that arrangements are fit for purpose; and iii) identify areas of improvement and focus for the forthcoming year.

1.2. The report is split into two sections, aligned to the Data and Information Management theme in the risk register. Section one focuses on those strategic risks that are reported to committee. Section two extends to cover the more operational risks that have been referenced previously within annual reporting to this committee, and provide a holistic view of the Council's information governance risk.

1.3. For each risk an update has been provided on the current position (including progress on any outstanding audit actions), key activities during 2025/26, and actions identified for 2026/27 (where relevant) to bring the level of risk down to a perceived acceptable level, in line with the Council's risk appetite.

1.4. The Strategic Information Governance Board's remit (and previous Annual Reports) includes cyber risk. This year, cyber risk is being reported separately on this agenda, and therefore excluded from this paper. That paper proposes a separate annual reporting process on cyber risk.

1.5. At its January meeting, the Committee requested an update on the actions identified during SWAP's Data Maturity audit, and in particular sought assurance over management response to priority 1 and 2 actions. This has been addressed within this report, linked to appropriate risk register entries (strategic risk 22; operational risk 326).

1.6. On consideration of last year's report, there was particular focus from committee on performance on information requests (operational risks 44 and 50); training compliance levels (strategic risk 39) and data breaches (operational risk 49), including more detail on the type of breaches.

2. Recommendation(s)

2.1. To note the 2025/26 activity and focus for 2026/27

3. Reason for the recommendation(s)

3.1. To ensure that information governance is embedded and effective across Dorset Council.

4. Strategic Information Governance Risks

4.1. This section covers the latest position on the following strategic risks linked to the Data and Information risk theme:

ID	Risk Title	Risk Rating
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	High
29	Due to insufficient business continuity planning and testing, one or more service may fail during a disruption, leading to disrupted service delivery	Medium
39	Due to lack of compliance with mandatory NHS Data Security and Protection Toolkit requirements Dorset Council may lose access to health data impacting its ability to deliver integrated care and strategic partnership objectives	Medium
91	As a result of a successful cyber-attack, Dorset Council's IT systems may be compromised leading to a loss of service of data *[Covered within separate agenda paper "Protecting our council - cyber security risk management and future improvement plans"]*	Very High
92	Because of a disruption such as a power failure Dorset's ICT recovery may be delayed leading to operational disruption	High

Risk:	22	Due to a failure to effectively migrate and manage digital information Dorset Council may be unable to access or trust its data leading to disruptions in business operations and decision making.			
High	**Risk Owner(s)**	Sam Johnston / Kate Watson / Cassandra Pickavance / Emma Blowers (Archives and Information Management)	**Reviewed**	16/03/26	

Current Position (including audit action status)

The significant volumes of data held on network drives have a direct impact on the Council's resilience to a cyber incident, data protection compliance, and its ability to achieve best value from the Microsoft 365 digital platform.

Much of this data was inherited from predecessor councils and, as organisational structures and responsibilities have changed over time, information ownership has become less clear. Under the Information Governance and Records Management policies, services are responsible for maintaining their information, including keeping files organised and deleting information in line with agreed retention periods.

As services have increasingly moved to saving current work in Microsoft Teams and SharePoint, and away from legacy network drives (for documents not held within core business systems), there is a growing risk that large volumes of information are retained without a clear purpose, owner or retention rule, and equally that valuable information could be 'left behind'.

Greater use of Microsoft Purview capabilities to apply automated retention and disposal controls to digital information is planned. However, the effective use of automated retention is dependent on well-designed SharePoint structures, clear information ownership, and accurate classification of content. Until digital information is migrated into agreed structures, there is limited ability to rely on automation to control information growth and manage risk.

During the past year, the Records Management (RM) team has worked with ICT and user adoption colleagues to pilot a structured approach to digital migration. The pilot confirmed that effective migration requires consistent engagement from services and sufficient capacity to deliver this activity at the pace and scale required.

A proposal to implement structured storage in Microsoft 365 using SharePoint has been agreed through the Design Authority. This approach has also been recognised through the SWAP Data Maturity Audit, which includes an action to link files to Information Asset Owners, classify content and apply retention labels to migrated information in order to prevent a similar build-up of unmanaged data in future.

However, while structures and governance are being put in place, there is currently no dedicated delivery capacity to implement migration at scale, and therefore limited assurance that the risk is currently being reduced at a corporate level. Existing Records Management, ICT and user adoption resources are small and already supporting multiple corporate priorities, which limits progress beyond pilot and design activity.

A project manager has been assigned on a short-term basis to design the next phase of work, however, this resource is time-limited and focused on planning rather than delivery and does not in itself provide a mitigation for the underlying risk. The risk remains active pending agreement on delivery capacity and continues to be monitored by the services involved.

Active service involvement remains essential to designing and maintaining effective information structures within SharePoint.

Key Developments 2025/26

- Design Authority approved proposal to move from legacy storage, including network drives, into a structured SharePoint environment so that information can be actively managed and automated.
- Project manager assigned to plan next phase, although currently resourcing beyond first phase of 2 months is uncertain.
- Public Digital review of DC's cyber preparedness has complemented the approach proposed in the digital records project.

Key Actions for 2026/27

- Respond to any recommendations that may be made by Public Digital, following cyber review work
- Design the next phase of work, building on the outcomes of the pilot activity. The detailed scope, outcomes and delivery timescales are currently being developed and will be informed by further assessment of the resources required.
- Continued work to develop tools that improve visibility of file storage and support services in making proportionate decisions about what information should be retained, migrated or disposed of.
- Delivery will require active engagement from services, reflecting their responsibilities under the Information Asset Ownership model, alongside central coordination and specialist support.

Risk:	29	Due to insufficient business continuity planning and testing, one or more service may fail during a disruption, leading to disrupted service delivery			
Medium	**Risk Owner(s)**	Marc Eyre / Georgie Connelly (Assurance – Emergency Management & Resilience)	**Reviewed**	31/03/26	

Current Position (including audit action status)

The business continuity process is facilitated by the Emergency Management and Resilience Team (EMRT), but responsibility for specific response action cards rests with the individual services, with ownership at Service Manager and Heads of Service level. A key performance indicator is reported annually to Senior Leadership Team and Audit and Governance Committee, as part of annual reporting circa July.

A SWAP internal audit was initiated during 2024/25 to respond to concerns raised by the EMRT around the extent that action cards were maintained. This identified a number of P1/2 findings, which prompted a revision of the business impact analysis (BIA), critical services and critical systems. This was signed off by SLT, alongside a review and update of the business continuity framework. The BIA review will be undertaken annually, moving forward. There are no outstanding audit actions.

Testing of plans is key, and to support this, a number of mini exercises have been developed, to support teams in challenging the effectiveness of their plans against a range of business continuity scenarios. A number of service level exercises have also been held across the Place Directorate. However, it is recognised that there needs to be periodic whole authority testing, which is built into 2026/27 plans.

Key Developments 2025/26

- Sign off of the revised Business Impact Analysis and supporting critical services/systems list by SLT;
- Roll out of key performance indicator on number of services that have reviewed and updated plans;
- Revised business continuity framework;
- Ongoing development of business continuity “exercise on a page” scenarios.

Key Actions for 2026/27

- Respond to any recommendations that may be made by Public Digital, following cyber review work;
- Annual review of business impact analysis with Senior Leadership Team;

- Ensure that business continuity arrangements reflect change of working models following restructure/transformation (including hub models);
- Develop and deliver whole authority business continuity exercise.

Risk:	39	Due to lack of compliance with mandatory NHS Data Security and Protection Toolkit requirements Dorset Council may lose access to health data impacting its ability to deliver integrated care and strategic partnership objectives			
Medium	**Risk Owner(s)**	Marc Eyre / James Fisher / Alex Barrett (Assurance – Information Compliance / ICT Cyber Security)	**Reviewed**	31/03/26	

Current Position (including audit action status)

Access to health data sets are governed by satisfactory completion and approval of the NHS Data Security and Protection toolkit in June each year. Failure to achieve approval would have significant data access issues. At this point in time we are not fully compliant and marked as "approaching standards" in the 2025/26 assessment. There are four mandatory requirements that we do not currently fully meet:

- "a training needs analysis covering data security and protection, and cyber security, been completed in the last twelve months". This is mitigated by both data protection and cyber being mandatory modules, but does not reflect that some roles may require bespoke training. A draft matrix has been developed, pending approval. – this will be noted as "met" for June 26 return.

- "at least 95% of staff, directors, trustees and volunteers in your organisation completed training on data security and protection, and cyber security, in the last twelve months". Training rates have improved significantly but remain below 95%. As at 31 March they are 94% for data protection and 82% for cyber training (the cyber figure is distorted by the fact that courses are monthly, so delayed participation negatively impacts completion statistics). Despite this improvement, a process is being implemented to remove email access for officers that fail to complete training within a reasonable time period.;

- "a list of its suppliers that handle personal information, the products and services they deliver, and their contact details". This information is currently held across a number of datasets, and further work is required to consolidate this data into a comprehensive list, linking the applications to our Information Asset Register.

- "IT system suppliers having cyber security certification". Certifications are now required as part of the procurement process – this will be noted as "met" for June 26 return.

Key Developments 2025/26

- Development of the dashboard for cyber security training to improve data quality;

- Improved training rates. Reporting to committee in August 2025 highlighted data protection training at circa 89% (now 94%) and cyber 65% (now 82%).

Key Actions for 2026/27

- Implementation of controls for policing poor completion rates of training;
- Adjusting the key performance indicators for cyber training;
- Approval of training matrix;
- Ongoing roll out of Information Asset Register

Risk:	92	Because of a disruption such as a power failure Dorset's ICT recovery may be delayed leading to operational disruption			
High		**Risk Owner(s)**	James Ailward, Head of ICT Operations	**Reviewed**	16/02/26

Current Position (including audit action status)

Resilience for critical services hosted by the Council, including duplicated services operating from multiple data centres.

Service continuity and exercise response processes are managed by an experienced team and this will be reviewed as part of a set of new exercises to provide assurance on its outcomes.

Service continuity testing has resumed, proving assurance that the other controls in place work as intended.

Key Developments 2025/26

- Limited testing on key applications took place easter 2025, this is the foundation for twice yearly regular testing to maintain and improve the Councils posture.

Key Actions for 2026/27

- Twice yearly testing.

5. Operational Information Governance Risks

5.1 This section covers the latest position on the following operational risks linked to the Data and Information risk theme:

ID	Risk Title	Risk Rating
16	Insufficient indexing of Dorset Council's records in all formats prevents accessibility and retrieval of data for statutory reporting and scheduled disposal preventing Dorset Council from becoming a more responsible customer focussed council	Low
20	Failure to sustain a programme of digital preservation thus risking impairment and loss of the corporate memory, reputational damage and breach of statutory codes	Medium
27	Loss of Dorset Council's physical records causes disruption to business operations preventing Dorset Council from becoming a more responsive customer focussed council	Medium
28	A fraudulent information request is made resulting in sensitive information being provided to the wrong person	Medium
35	Insufficient policies and procedures aimed at helping the organisation to comply with its data protection obligations results in a poor information compliance culture	Medium
41	Unable to sustain Assurance Service due to prolonged pressures (increasing caseloads etc, changing legislative demands and gaps in staff capacity)	High
43	Inadequate leadership and oversight of data protection activities at a strategic and operational level results in poor information compliance culture	Low
44	Inadequate compliance with individual rights under data protection law	Low
45	Insufficient transparency around Dorset Council's data processing activities	Medium
47	Contracts and data sharing arrangements do not comply with statutory data protection standards	Medium

48	Failure to complete data protection impact assessments prior to commencing or changing high risk data processing activities	Medium
49	Failure to detect, investigate, risk assess, record and respond to data breaches	Medium
50	The Council does not adhere to the Information Commissioner's Code of Practice in relation to the Freedom of Information and Environmental Regulations requests, resulting in regulatory enforcement and reputational damage	Low
52	Data loss / leakage by internal staff / leavers	Medium
55	Failure to comply with Regulation of Investigatory Powers Act 2000 or other covert surveillance legislation	Medium
117	As a result of inaccurate business intelligence, uninformed decision making may take place at a strategic level leading to a failure to deliver the Council's services and/or priorities effectively	Medium
326	Because information management policies are not consistently applied controls over how information is stored and maintained may not be followed resulting in unnecessary data growth, duplication, security vulnerabilities and increased operational costs	Medium

Risk:	16	Insufficient indexing of Dorset Council's records in all formats prevents accessibility and retrieval of data for statutory reporting and scheduled disposal preventing Dorset Council from becoming a more responsible customer focussed council			
Low		**Risk Owner(s)**	Sam Johnston / Kate Watson (Archives and Information Management)	**Reviewed**	23/12/25

Current Position (including audit action status)

Insufficient indexing of records presents a risk to the Council's ability to find information efficiently, meet statutory reporting and information access requirements, apply correct retention, and securely manage access to sensitive data. This is particularly significant for services holding large volumes of complex case records

For Children's Services records, a directorate-funded Children's Records Project has provided dedicated, fixed-term capacity to address long-standing issues with the indexing of paper records. This focused support has delivered significant improvements in the quality and consistency of record indexing, strengthening confidence in information ownership, access controls and retention decisions.

However, the project resource is currently funded on a fixed-term basis, concluding in December 2026. It is anticipated that, without continuation of this capacity, a substantial body of work will remain incomplete, limiting the ability to sustain progress and extend the same level of compliance and assurance across all Children's Services records.

Across other services, inconsistent indexing of legacy paper records is a contributing factor to significant backlogs of paper records being kept for longer than their scheduled retention periods. Where records are insufficiently indexed, services find it more difficult to make retention decisions, reducing the effectiveness of the self-service model.

Key Developments 2025/26

- Children's Records Project has preserved data from closed services including The Cherries residential home and Blandford Children's Centre Nursery (including Oscars Out of School Club)
- The project has improved data for over 60,000 records held in managed storage so that the correct retention dates can be applied, and significant quantity of confidential waste destruction has been carried out.

Key Actions for 2026/27

- Supporting the review and removal of records from the County Hall basement – transfer to RM for improved searchability and retention management. Seeking consistency of approach across council departments to RM post-LGR.
- Proposal to adopt a tiered service model to allow more focused for services with the largest or highest-risk backlogs of paper records retention decisions
- Making the case to identify additional resourcing for ongoing needs of records of Children's Services.

Risk:	20	Failure to sustain a programme of digital preservation thus risking impairment and loss of the corporate memory, reputational damage and breach of statutory codes			
Medium	**Risk Owner(s)**	Sam Johnston (Archives and Information Management)	**Reviewed**	11/02/26	

Current Position (including audit action status)

Proprietary software Preservica has been used by the Archives service for over a decade to protect digital information with permanent and long-term value. Significant volumes of material have been ingested, including highly sensitive council records such as scanned adoption files, however much council material is kept in operational systems.

There remains an urgent need to align SharePoint architecture, information ownership and retention policies with digital preservation processes, so that records identified as having long-term or permanent value can be preserved seamlessly.

At present, this integration is not consistently in place. As a result, information may be at risk of loss, degradation or may be kept in unsupported formats.

Progress in this area is strongly dependent on the successful delivery of the wider digital file migration and information management transformation. This risk is therefore closely interdependent with Risk ID 22, which addresses the Council's ability to effectively migrate, manage and govern digital information currently stored across network drives and unmanaged Microsoft 365 locations.

Key Developments 2025/26

The digital records project (commenced March 2026) will, if resourced to completion, provide a mechanism for SharePoint and Preservica to link interoperably thereby facilitating the transfer of service-generated records into a permanent preservation environment. However, this is a major undertaking and will require prioritisation by services and additional resourcing for Records Management.

Communications about digital records project and need for services to review their information and delete or transfer to SharePoint has been undertaken.

Key Actions for 2026/27

Commencement of digital records project to transfer records from shared drives and prepare for decommissioning of the latter in May 2027.

Risk:	27	Loss of Dorset Council's physical records causes disruption to business operations preventing Dorset Council from becoming a more responsive customer focussed council		
Medium	Risk Owner(s)	Sam Johnston / Kate Watson (Archives and Information Management)	Reviewed	23/12/25

Current Position (including audit action status)

Dorset Council continues to hold physical paper records that remain essential to the delivery of some services and to meeting legal, regulatory and corporate memory requirements.

During the heavy rain this year, water leaks were identified within the Records Management Unit, the main corporate paper records store in County Hall. These incidents were proactively managed, with actions taken in collaboration with Property colleagues to protect records and better prepare for any future incidents. It is anticipated that the replacement of the roof at the front of County Hall will reduce the risk of future water ingress.

Records held within the Records Management Unit benefit from regular monitoring and conservation-approved processes. However, physical records stored outside of managed environments present a higher level of risk, as they are not routinely monitored for environmental conditions and may not be adequately protected or recoverable in the event of damage.

The recent incidents have reinforced the importance of appropriate centralised storage and the consistent application of records management controls in order to reduce the risk of information loss and service disruption.

Key Developments 2025/26

- Mitigation against water damage within RM stores by team has resulted in the need to move some files and to protect against further unpredictable leaks.

Key Actions for 2026/27

- Work relating to the above (and see Risk ID 16) is ongoing with Property colleagues and record owners.
- Service owners of records in the County Hall basement and other satellite outstores (including Westport House) have been encouraged to work towards transfer into RM custody to bring about a consistent, single approach to the management of paper records.

- There is uncertainty at time of writing as to how many records will be transferred from unmanaged locations and thus what the resourcing requirement for RM will be.

Risk:	28	A fraudulent information request is made resulting in sensitive information being provided to the wrong person			
Medium		**Risk Owner(s)**	Marc Eyre / James Fisher (Assurance – Information Compliance)	**Reviewed**	31/03/26

Current Position (including audit action status)
This risk forms part of the Councils fraud risk assessment. Under the General Data Protection Regulations individuals are entitled to receive copies of any documentation that an organisation holds about them. Before releasing this information, the Information Compliance team go through a process to check the identity of the requestor. The risk is identified as Medium, as the potential risk could be significant should the controls fail. However, the risk is managed down to a level acceptable to tolerate.
Key Developments 2025/26
None
Key Actions for 2026/27
None

Risk:	35	Insufficient policies and procedures aimed at helping the organisation to comply with its data protection obligations results in a poor information compliance culture			
Medium	**Risk Owner(s)**	Marc Eyre / James Fisher (Assurance – Information Compliance)	**Reviewed**	31/03/26	

Current Position (including audit action status)

The portfolio of information governance policies and standards were initially developed by the Shaping Dorset programme and effective from day one of Dorset Council. Whilst a number of these policies have been reviewed and updated, others are significantly overdue review. A prioritisation schedule has been developed and is being managed by the Operational Information Governance Group. Policies are signed off by the Strategic Information Governance Board. This prioritisation has been based on the extent that the existing policy remains fit for purpose. A Senior Data Protection Analyst (12 month contract) commenced employment in August 2025 and part of their remit was anticipated to be the review and update of information compliance policy documents, however other pressures on the Information Compliance team have diverted this resourcing. Policies cover the range of information compliance, information management and cyber security, and are made up of the following (those overdue review are marked in red):

Information Governance	Data Quality	ICT Acceptable Use
Data Protection	Data Sharing	ICT Security Management
Data Breach	Records Management	ICT Security Strategy
Data Protection Impact Assessment	Use of Covert Surveillance	Artificial Intelligence
Individual Rights	Business Continuity framework	

Whilst not forming a recommendation, the prioritisation work on policy updates was referenced within the Data Maturity audit work.

Key Developments 2025/26

- Revised data breach reporting process (see risk 49)
- Development of new Data Protection Impact Assessment screening tool (see risk 48)

Key Actions for 2026/27

- Seek extension of temporary contract for Data Protection Analyst role
- Ongoing rollout of policy updates
- Review of ICT Acceptable Use policy, to reflect technological change

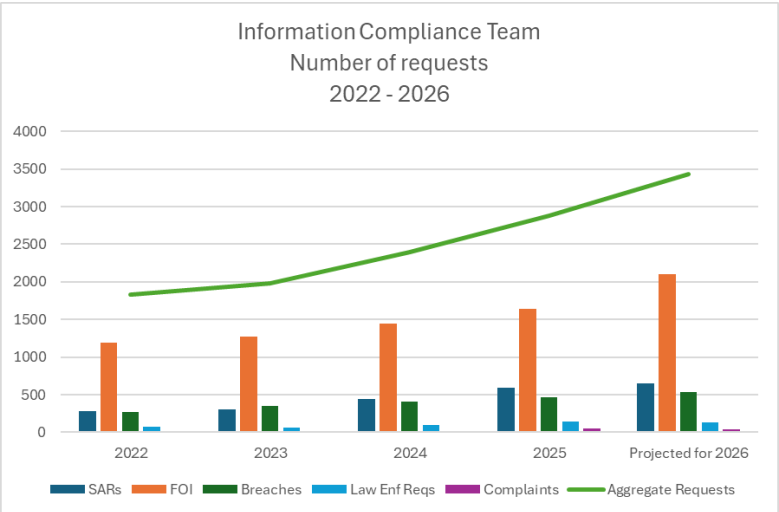
Risk:	41	Unable to sustain Assurance Service due to prolonged pressures (increasing caseloads etc, changing legislative demands and gaps in staff capacity)		
High	Risk Owner(s)	Marc Eyre (Assurance)	Reviewed	31/03/26

Current Position (including audit action status)

The Assurance Service contains a number of functions – Information Compliance; Complaints; Emergency Management and Resilience; Fraud/Governance; Police and Crime Panel. There are pressures across all teams, but for the purpose of this report, the focus is on the Information Compliance team. This small team of 10 ftes is managed by the Data Protection Officer, and includes responsibility for facilitating information requests (Freedom of Information; Subject Access Requests; Law Enforcement Requests); responding to data breaches; and strategic support to services in respect of compliance with Data Protection legislation.

Caseloads across the team have increased significantly:

	SARs	FOI	Law Enf Reqs	Breaches	Data Complaints	Combined
2022	285	1,195	76	275	n/a	1,831
2023	301 *(+6%)*	1,277 *(+7%)*	59 *(-22%)*	346 *(+26%)*	n/a	1,983 *(+8%)*
2024	445 *(+48%)*	1,449 *(+13%)*	100 *(+69%)*	407 *(+18%)*	n/a	2,401 *(+21%)*
2025	591 *(+33%)*	1,636 *(+13%)*	140 *(+40%)*	464 *(+14%)*	51	2,882 *(+20%)*
Projections for 2026 based on Jan – Mar figures						
2026	645 *(+9%)*	2,097 *(+28%)*	126 *(-10%)*	531 *(+14%)*	37 *(-27%)*	3,436 *(+19%)*



The vast majority of organisational change activity requires input from the team, as will more often than not either result in new technology and/or change the way that personal information is processed. This will require subject matter expert input into Data Protection Impact Assessments, as well as advising on matters such as data sharing and data privacy agreement.

The Data (Use and Access) Act introduced a mandatory internal complaints process before escalation to the ICO, which has put further pressure on the team.

Automation has been employed to ease some of the administrative burden, but caseloads continue to increase at a faster rate than any mechanisms to improve efficiency.

Key Developments 2025/26

- Automation of some aspects of the Freedom of Information process;
- Recruitment into vacant posts;
- Rollout of Data Protection Impact Assessment screening tool

Key Actions for 2026/27

- Seek extension to the Data Protection Analyst post;
- Explore use of AI agents to support Data Protection Impact Assessment process;
- Seek Service Design support to challenge existing team processes and structure

Risk:	43	Inadequate leadership and oversight of data protection activities at a strategic and operational level results in poor information compliance culture		
Low	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

The Council has a Strategic Information Governance Board, supported by a number of operational working groups. The Strategic Board is chaired by the Director for Legal and Democratic (as the Senior Information Risk Owner) providing escalation to the Senior Leadership Team as appropriate, and has membership from Directorate Management Team representatives alongside information governance professionals). The Board reports to both SLT and Audit & Governance Committee annually (via this Annual Information Governance report), and more regularly where required. It monitors a range of Key Performance Indicators across the range of information governance activities, and maintains an improvement action plan mapped to the Information Commissioners accountability framework. Working groups include the Operational Information Governance Group, which is a consultee in the transformation process, and has representation on the Technical Design Authority, and the Cyber Technical Group. There are no outstanding audit requirements associated with this risk, which is managed to an acceptable level.

Key Developments 2025/26

- Development of Key Performance Indicator set

Key Actions for 2026/27

- Implement any proposed changes resulting from the Governance review.

Risk:	44	Inadequate compliance with individual rights under data protection law		
Low	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

Individual Rights allows data subjects to enact certain powers over their personal information that is held. The most common and well known of these rights is the right of access, commonly referred to as subject access requests (SARs). This gives individuals the right to obtain a copy of their personal data held by an organisation, as set out in the General Data Protection Regulations.

The Information Compliance team manage the whole process for Childrens Services, which is often extremely sensitive and onerous (primarily care leaver requests, for an entire history of their care), requiring significant redaction. For other Directorates, the Information Compliance Team facilitate and advise, but the document discovery and redaction is managed within the Directorate.

Currently compliance levels for Subject Access Requests remain satisfactory, although target timescales cannot always be achieved for the largest most onerous requests. Where necessary we outsource larger more complex cases to an external provider.

The following chart highlights compliance rates for managing Subject Access Requests within statutory timescales (Green = ICO recommended 90% compliance; Amber = between 80-90%; Red = below 80%):

Percentage of Subject Access Requests Handled on Time

	Whole Authority		Adults & Housing		Childrens		Corporate		Place		Public Health & Prevention	
Q4 25/26												
Q3 25/26	93%	(96)	89%	(9)	96%	(71)	89%	(9)	71%	(7)		(0)
Q2 25/26	88%	(110)	83%	(12)	92%	(83)	67%	(12)	100%	(2)	100%	(1)
Q1 25/26	96%	(90)	100%	(8)	96%	(68)	91%	(11)	100%	(3)		
Q4 24/25	98%	(66)	100%	(8)	98%	(53)	100%	(2)	100%	(3)		
Q3 24/25	96%	(94)	94%	(16)	98%	(64)	60%	(5)	100%	(9)		
Q2 24/25	92%	(86)	89%	(9)	94%	(66)	67%	(6)	100%	(5)		
Q1 24/25	95%	(81)	94%	(16)	100%	(51)	73%	(11)	100%	(3)		

We have reviewed our policies and procedures in relation to release of the most sensitive information, following counsel's opinion gained following an alleged data breach. An overdue priority 2 action remains outstanding following a SWAP internal

audit report, which referenced applying the good practice adopted for Childrens SARs to other services. It was originally intended to review this as part of Our Future Council restructuring, but the Information Compliance function after review were not included within the year one considerations. This audit action will be explored further now that the Business Support hub is operational.

Key Developments 2025/26

- Improved processes, following Counsels opinion

Key Actions for 2026/27

- Explore options for replicating good practice from Childrens SARs with Business Support Hub

Risk:	45	Insufficient transparency around Dorset Council's data processing activities		
Medium	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

The Information Governance action plan includes two specific actions relating to this risk:

i) for Information Asset Owners to review their schedule of privacy notices; and

ii) ii) incorporating privacy information into data protection training.

These both have a Priority 4 (low) ranking.

Key Developments 2025/26

- None

Key Actions for 2026/27

- Privacy notice review to continue, alongside services' development of information asset records.

Risk:	47	Contracts and data sharing arrangements do not comply with statutory data protection standards		
Medium	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

A new Data Sharing policy was approved at September 2024 Strategic Information Governance Board.

A log of Data Sharing Agreements has been initiated, by integrating into the roll out of the Information Asset Register.

Standard data protection clauses are contained within contracts.

Key Developments 2025/26

- None

Key Actions for 2026/27

- Data sharing agreements to continue to be logged, alongside services' development of information asset records.

Risk:	48	Failure to complete data protection impact assessments prior to commencing or changing high risk data processing activities		
Medium	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

The Data Protection Impact Assessment (DPIA) process is used to identify, assess, and reduce the privacy risks of a project, policy or change to process that involves handling personal data. DPIAs support organisations in understanding how data processing might affect individuals' rights, evaluates whether the planned activities comply with data protection laws like GDPR, and documents the steps taken to minimise risks. DPIAs are a statutory requirement for any high risk data processing and are a proactive check to ensure that any new system, technology, or process that uses personal data is designed to be safe, lawful, and respectful of people's privacy.

All high risk DPIAs are presented to the Operational Information Governance Group and signed off by the chair. To support services, a new DPIA screening tool has been developed and currently in the process of rollout. There remains a concern that not all higher risk data processing changes are undergoing DPIA either at an appropriate stage in the project lifecycle or at all. Further work is underway to embed DPIA within the transformation process.

Key Developments 2025/26

- Development of DPIA screening tool;
- Assessment and approval of DPIAs via Operational Information Governance Group

Key Actions for 2026/27

- Reporting of DPIAs via Strategic Information Governance Board;
- Explore opportunity to develop an AI agent to support services' writing DPIAs.

Risk:	49	Failure to detect, investigate, risk assess, record and respond to data breaches		
Medium	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

A data breach can be classed as any incident where personal data is incorrectly accessed, disclosed, amended, destroyed or lost. If the breach is likely to result in a risk to the rights and freedoms of individuals, the incident must be reported to the Information Commissioner's Office (ICO), who will consider the incident, including the adequacy of the council's response. In response, the ICO may make recommendations to the council aimed at mitigating the breach or preventing further occurrences. In the most serious cases, the ICO may take enforcement action against the council, including issuing a monetary penalty. Where the ICO have historically taken enforcement action against local authorities, they have on occasion levied significant 6-figure sums for personal data breaches, and in the most serious cases they have power to fine a local authority up to £17.5 million.

The chart below summaries the cause of data breaches received over the last two years:

Row Labels	**2024**	**2025**
Unauthorised disclosure by email	290	317
Unauthorised Internal Access	16	16
Information Lost	14	15
Unauthorised Online Publication	21	32
Unauthorised disclosure by post	23	29
Unauthorised disclosure by telephone	9	11
Failure to redact	n/a	9
Other	34	35
Grand Total	**407**	**464**

Of the 464 cases, 17 were determined necessary to refer to the Information Commissioner. None have resulted in any regulatory action.

The majority of losses across both years relate to email disclosures. In response, the capability within the Microsoft E5 licencing on Data Loss Prevention and Email encryption has been enabled, linked to an improved application of sensitivity labels. Data Loss Prevention is a capability within Microsoft Purview that includes prompts to users where certain risk data is included within an email, to reduce the risk of information being incorrectly shared, and in certain cases restricts sending where the incorrect labelling is applied. This is an ongoing piece of work, which continues to

strengthen the management of emails. Whilst on one hand it reduces the risk of data breach, it is worth emphasising that it equally raises awareness that a breach has occurred, which means that we can expect a temporary increase in reporting.

SWAP undertook an internal audit of Dorset Council's rollout of Purview in Q4 of 2025/26. It recognised that the Council's approach is both proactive and at the forefront of local authority data loss prevention methods. Actions were identified however in terms of mapping future rollout to the Council's risk appetite, to support prioritisation and resourcing. This will be the subject of discussion at April's Strategic Information Governance Board.

The data breach reporting process has been improved, with reporting including an assessment of the risk that defines the level of investigation that is necessary, and enables better self service of some of the investigation process and identification of remedial actions.

Key Developments 2025/26

- Improved data breach reporting process, with automation and greater level of self service within Directorates;
- Improvements to sensitivity labelling, reducing data breach risk and enabling improved ability to recall messages

Key Actions for 2026/27

- Define strategy for ongoing Purview rollout, and appetite for use of insider risk management tools to identify potential data breach risks and employing default labelling for services, based on risk.

Risk:	50	The Council does not adhere to the Information Commissioner's Code of Practice in relation to the Freedom of Information and Environmental Regulations requests, resulting in regulatory enforcement and reputational damage		
Low	**Risk Owner(s)**	Marc Eyre / James Fisher (Assurance – Information Compliance)	**Reviewed**	31/03/26

Current Position (including audit action status)

The Freedom of Information Act 2000 (FOI) and Environmental Information Regulations 2004 (EIR) gives a general right of access to information held by public authorities. The Information Commissioners Office anticipates 90% compliance with the statutory response timescales of 20 working days. Compliance rates are shown below:

Percentage of FOI Requests Handled on Time

	Whole Authority		Adults & Housing		Childrens		Corporate		Place		Public Health & Prevention	
Feb-26	83%	(132)	65%	(17)	71%	(17)	90%	(41)	86%	(42)	87%	(15)
Jan-26	86%	(125)	64%	(14)	69%	(13)	91%	(35)	94%	(49)	79%	(14)
Dec-25	85%	(150)	68%	(22)	91%	(22)	91%	(44)	83%	(46)	94%	(16)
Nov-25	86%	(147)	56%	(9)	86%	(22)	87%	(53)	92%	(48)	87%	(15)
Oct-25	89%	(131)	75%	(12)	80%	(15)	92%	(38)	89%	(54)	100%	(12)
Sep-25	86%	(137)	79%	(14)	63%	(16)	92%	(37)	87%	(55)	100%	(15)
Aug-25	92%	(145)	85%	(13)	94%	(18)	93%	(44)	93%	(59)	91%	(11)
Jul-25	86%	(130)	58%	(12)	58%	(12)	95%	(39)	92%	(53)	86%	(14)
Jun-25	80%	(140)	55%	(22)	50%	(10)	87%	(47)	89%	(47)	86%	(14)
May-25	83%	(123)	62%	(13)	83%	(12)	72%	(36)	92%	(51)	100%	(11)
Apr-25	84%	(140)	78%	(23)	67%	(18)	80%	(44)	96%	(48)	100%	(7)
Mar-25	86%	(129)	60%	(10)	86%	(22)	88%	(41)	89%	(56)		
Feb-25	88%	(139)	67%	(15)	91%	(22)	90%	(40)	90%	(62)		
Jan-25	91%	(106)	90%	(20)	92%	(13)	92%	(26)	89%	(47)		
Dec-24	83%	(127)	60%	(15)	71%	(14)	84%	(51)	91%	(47)		
Nov-24	87%	(132)	86%	(21)	69%	(13)	98%	(40)	84%	(58)		
Oct-24	88%	(115)	79%	(19)	73%	(15)	90%	(42)	95%	(39)		
Sep-24	87%	(98)	73%	(11)	75%	(12)	93%	(28)	89%	(47)		
Aug-24	86%	(119)	70%	(20)	70%	(23)	97%	(37)	92%	(39)		
Jul-24	84%	(106)	91%	(11)	63%	(8)	84%	(43)	86%	(44)		
Jun-24	81%	(112)	55%	(11)	65%	(20)	84%	(44)	95%	(37)		
May-24	85%	(126)	94%	(16)	67%	(15)	87%	(39)	86%	(56)		
Apr-24	90%	(136)	79%	(14)	80%	(10)	98%	(45)	90%	(67)		
Mar-24	81%	(109)	64%	(11)	74%	(19)	81%	(43)	89%	(36)		

Whilst this remains a low risk managed to an acceptable level, this is challenged by a significant increase in both the number and complexity of information requests (with artificial intelligence supporting users in submitting detailed requests, increasing the level of disclosure required).

Key Developments 2025/26

- Maintaining positive compliance rates, despite significant increase in caseloads

Key Actions for 2026/27

- Seek Service Design support to challenge existing team processes and structure;
- Ongoing development of publication scheme, and supporting services with improved transparency of documents.

Risk:	52	Data loss / leakage by internal staff / leavers		
Medium	Risk Owner(s)	Marc Eyre / James Fisher (Assurance – Information Compliance)	Reviewed	31/03/26

Current Position (including audit action status)

Employees who have access to the highest levels of classified data are in an advantageous position to commit data thefts, presenting a need for employer diligence and monitoring. We have in place identity access management systems, restrict access to data outside of networks, monitor employees for high-risk or anomalous behaviour, and review security protocols regularly.

There are clear guidelines on manager responsibilities for staff leaving employment, which includes ensuring sensitive information is returned or destroyed. We have had two incidents where it is believed agency workers have left the employment and withheld sensitive information. It should be noted however that some additional controls have been implemented by the Directorate.

The MS Purview product includes Insider Risk Management capability which provides a number of tools to prevent the risk of data loss. This includes highlighting data transferred to external devices and any significant data transfer once an employee has handed in notice. If supported for roll-out and resourcing by Strategic Information Governance Board, this will help highlight where this risk may be likely to occur.

An Account Activity Policy was supported for adoption by the Operational Information Governance Group in December 2024, but there remains a need to look at issues with the Starters, Leavers and Movers process.

Key Developments 2025/26

- Ongoing rollout out of MS Purview tools

Key Actions for 2026/27

- Define strategy for ongoing Purview rollout, and appetite for use of insider risk management tools to identify potential data breach risks.

Risk:	55	Failure to comply with Regulation of Investigatory Powers Act 2000 or other covert surveillance legislation			
Medium	**Risk Owner(s)**	Marc Eyre / James Fisher (Assurance – Information Compliance)	**Reviewed**	31/03/26	

Current Position (including audit action status)

The Council operates a "Use of Covert Surveillance" policy to meet the requirements of Regulation of Investigatory Power Act (RIPA) and associated surveillance legislation, including occasions where covert surveillance is necessary, but not meeting the RIPA threshold. The policy sets out that the Audit and Committee will be informed annually on the following covert surveillance activity:

- The number of RIPA authorisations requested and granted – One underway during 2025/26;
- The number of RIPA light authorisations requested and granted – One during 2025/26;
- The number of times social networking sites have been viewed in an investigatory capacity - No RIPA authorisations or RIPA light authorisations were requested or granted for surveillance of social networking sites

There are no outstanding audit actions.

Key Developments 2025/26

- None

Key Actions for 2026/27

- There is an outstanding action in the Information Governance action plan to roll out training for approving officers.

Risk:	117	As a result of inaccurate business intelligence, uninformed decision making may take place at a strategic level leading to a failure to deliver the Council's services and/or priorities effectively			
Medium		**Risk Owner(s)**	Chris Heighway / Chris Swain / Michael O'Donovan (Strategy) / Liz Crocker	**Reviewed**	31/03/26

Current Position (including audit action status)

In accordance with the Council's Strategic Performance Management Framework, business intelligence represents the collation and integration of a wide range of data, including financial management information, operational performance, Council Plan delivery, risk management, audit actions, national benchmarking, resident and workforce satisfaction, and wider horizon-scanning intelligence. Because data sources vary from internal systems to national datasets, data quality and validation are critical controls in mitigating the risk of inaccurate intelligence informing strategic decisions.

All employees involved in inputting performance data and accompany performance narrative are accountable for ensuring its quality, accuracy and integrity. This includes adherence to GDPR requirements and ensuring that data is fit for purpose before it enters strategic reporting channels.

For strategic performance monitoring, the Performance Indicator Library plays a key role in ensuring consistency and clarity. It includes clear up-to-date definitions, an audit trail of changes, named data owners, and details of data sources and collection methodologies — strengthening transparency and supporting accurate interpretation.

Strategic performance and risk information is reported quarterly to SLT, Informal Cabinet and Scrutiny Committees, with information flowing through the performance framework from operational teams to Directorate Leadership Teams before reaching corporate oversight. These internal checkpoints ensure that service leads remain accountable for their data and metrics, helping to reduce the likelihood of incomplete or inaccurate intelligence reaching strategic decision-makers.

Data presented to senior leaders has strengthened in recent quarters, including enhanced Council Plan reporting and supplementary updates that track improvement actions. This has improved both transparency and assurance across the organisation.

The strategic risk register and wider risk governance arrangements are also reported quarterly to Audit & Governance Committee, providing an additional assurance mechanism over the control environment and the quality of supporting intelligence.

The Policy Intelligence and Performance Service have also developed reporting dashboards to ensure access to well-presented data. This supports informed decision making and reduces the reliance on manual interpretation.

Key Developments 2025/26

During 2025/26, significant work has been undertaken to improve the quality and integration of performance, risk and business intelligence. Key developments include:

- Published the Strategic Performance Management Framework, clarifying expectations for performance reporting.
- Developed the Performance Indicator Library to standardise definitions and strengthen data quality.
- Introduced Council Plan monitoring and dashboards to improve visibility of delivery.
- Completed the annual review of performance and risk indicators with service leads.
- Updated and enhanced the dashboard portfolio to improve insight and usability.
- Updated the strategic risk register alongside the new audit and audit-actions register.
- Strengthened collaboration between the strategic hub and embedded business intelligence and performance teams in directorates to improve data quality and insight.

Key Actions for 2026/27

- Develop an improved interface for performance data input and narrative, creating a stronger underlying data structure that supports future automation and integration with evolving data architecture.
- Incorporate benchmarking analysis into the dashboard portfolio, including metrics from the new national Local Outcomes Framework and LG Inform+.
- Continue embedding a strong culture of performance reporting and data quality through targeted internal communications, training and support for directorate teams.

Risk:	326	Because information management policies are not consistently applied, controls over how information is stored and maintained may not be followed, resulting in unnecessary data growth, duplication, security vulnerabilities and increased operational costs			
Medium	**Risk Owner(s)**	Sam Johnston / Kate Watson (Archives and Information Management)	**Reviewed**	17/12/26	

Current Position (including audit action status)

Under the Information Asset Ownership (IAO) model, responsibility for the effective management of information sits with services. Service managers and Heads of Service, acting as Information Asset Owners, are accountable for decisions relating to their information assets, including how information is stored, reviewed and disposed of, and for managing the associated risks within their areas. This role supports the Senior Information Risk Owner (SIRO) by providing assurance at service level.

The Information Governance policy requires Information Asset Owners to understand what information they hold, assess whether it remains necessary, and ensure information is disposed of in line with the Council's retention schedules or transferred to the Dorset History Centre where appropriate.

To support services in meeting these responsibilities, the Records Management team have developed training modules and guidance to help Information Asset Owners manage information assets and maintain accurate records within the Information Asset Register and Register of Processing Activities (IAR and ROPA), as required under the UK General Data Protection Regulation. These arrangements operate on a self-service basis, with services expected to identify, review and maintain their own information assets.

However, application of these controls is currently inconsistent across the organisation. Completion of training and the population and ongoing review of the IAR and ROPA remain low, limiting the Council's ability to demonstrate consistent oversight of information assets and increasing the risk of unnecessary data retention, duplication and unmanaged information.

The SWAP Data Maturity Audit identified actions to strengthen assurance in this area, including the development of Key Performance Indicators (KPIs) to monitor compliance with information management requirements. These measures will support more consistent reporting and enable senior officers, through the Strategic Information Governance Board, to take targeted action where controls are not being effectively applied.

Key Developments 2025/26

- Information Asset Owner (IAO) training pathway for managers made available, including a practical checklist setting out the typical activities expected of the role
- Quarterly notifications are sent to IAOs highlighting overdue decisions relating to paper records, supported by intranet guidance on using the self-service records management system
- Information Asset Owner guidance was included in knowledge transfer intranet pages, to support the effective handover of information when staff leave the organisation or move roles.

Key Actions for 2026/27

- Key Performance Indicators (KPIs) will be finalised and published, covering training completion, Information Asset Register and Record of Processing Activities entries, and timely paper records disposal decisions
- The dashboard will be made available on the performance area of the intranet
- Further targeted communications will be issued to Information Asset Owners
- The Strategic Information Governance Board meeting in April will consider options to strengthen assurance by making Information Asset Owner training mandatory for relevant roles
- The effectiveness of existing self-service approaches, including training materials and guidance will be regularly reviewed.

6. Alternative options considered

6.1 N/A

7. Legal considerations

7.1 Ensure that the Council is meeting the obligations of the forthcoming “Data (Use and Access)” Bill, alongside the UK General Data Protection Regulation.

8. Financial implications

8.1 There are no direct financial implications from this report. However, the General Data Protection Regulation sets out that the Data Protection Officer must be provided with sufficient resources to perform their role. The ongoing work of the Strategic Information Governance Board may identify areas where additional resourcing is required.

9. Natural environment, climate & ecology implications

9.1 Good quality and managed data is essential in supporting our climate change agenda

10. Well-being and health implications

10.1 Good quality and managed data is essential in supporting health and wellbeing

11. Other implications

11.1 None

12. Risk implications

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

Current Risk: High

Residual Risk:High

This scoring reflect that there are a number of High and Very High strategic and operational risks referenced within this report.

13. Equalities

13.1 None

14. Appendices

14.1 None

15. Background papers

15.1 None

16. Report sign-off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Audit and Governance Committee
27 April 2026
Corporate Complaints Policy
For Decision

Cabinet Member:
Cllr R Hope, Customer, Culture and Community Engagement

Local Councillor(s): **N/A**

Senior Leadership Team:
J Mair, Director of Legal & Democratic

Report author and job title: Marc Eyre, Service Manager for Assurance
Email: marc.eyre@dorsetcouncil.gov.uk

Statutory Authority:

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

1.1 The Council maintains a number of complaints policies: statutory documents for Children's Social Care and Adults Social Care, a Whole Authority Complaints policy for non-social care matters, alongside a Councillor Code of Conduct complaints policy and also the Dorset Police and Crime Panel protocol. In addition, the Council operates a Managing Customer Behaviours protocol, to establish mechanisms for managing vexatious, aggressive and potentially violent contacts.

1.2 Complaint numbers nationally have shown a significant increase. For Dorset Council cases have increased year on year since 2019 (with one exception). The use of artificial intelligence has impacted on both complaint numbers and complexity. On one hand this presents a positive tool for those members of the public that may have found it difficult to articulate a complaint to ensure that their voice is heard. Equally however where contact could be considered excessive and on occasions vexatious, it can be onerous on the complaints team and Directorate staff. The thrust of the complaint can also be lost in what can be very detailed AI generated content, quoting legislation and process. AI generated advice suggests email submission which bypasses the

Council's eform, which has been designed to support framing of the complaint process and remove staff time in data entry.

1.3 The policy frameworks remain largely fit for purpose, having been subject to approval by Audit and Governance Committee in January 2025. However, it is proposed to add some additional measures to better manage AI generated content, by limiting non-statutory complaints submission to the Council's e-form and to reserve the right to summarise long complaints into a more digestible format.

1.4 Some other minor changes are proposed to the Managing Customers Behaviour protocol, as referenced in the more detailed report.

2. Recommendation(s)

2.1 That the Audit and Governance Committee approve the proposed changes to the complaints policy frameworks:

- Restricting submission of complaints to e-form only (other than for social care complaints);
- Removing reference to the complaints email address from policy documents;
- Reserving the right to summarise and only respond to key points of long AI generated correspondence;
- Adding a target review timescale to the Managing Customers Behaviour protocol;
- Reserving the right of the Unreasonable Behaviours Panel to make decisions from virtual circulation of evidence.

3. Reason for the recommendation(s)

3.1 To enable complaints to be managed efficiently and effectively whilst protecting staff wellbeing.

4. The Detail

4.1 Local authorities have generally experienced an increase in complaint numbers. The Dorset Council annual reporting to scrutiny committees recognised that complaint numbers for 2024/25 were up 17% from the previous financial year and the highest number in the Council's history, at 1919. The year on year increase can be seen in the chart below:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
722	1,268	1,406	1,838	1,588	1,919	2,406

4.2 The 2025/26 year has seen complaint numbers increase by 25.38% since the previous financial year, and 233% since Dorset Council came into being.

4.3 The reporting to scrutiny sets out that the number of cases escalated to the Local Government and Social Care Ombudsman (LGSCO) remains low at approx. 7% (151 in 2024/25). Of these, 85% were upheld – a figure broadly consistent with other organisations. However, this small number of escalations does indicate that in the majority of cases the Council sufficiently responds to complaints.

4.4 There may be a number of factors that are influencing the increase in complaints. However one thing that is for certain is that the public's increasing use of artificial intelligence is having an impact. Firstly, the AI generated summaries used by popular internet search tools is bypassing the public away from our e-form to the complaints email address. As a result, complaints have to be interpreted and manually input to the database, rather than the fields guiding the complainant completion and auto populating our system. Secondly, AI generated complaints are generally very long, will quote case law, policy and process that is on occasion inaccurate and establish a significant number of lines of investigation that need to be followed up by the complaints team and Directorate staff.

4.5 In response, it is proposed to make a number of additions to the complaints policies. The policies have not been added as appendices due to length, but are hyperlinked for reference where necessary. The aim is however to apply these changes to each of the complaints policies, unless there is a legal reason that we are unable to.

4.6 Firstly, the policy will set out that, where complaints are lengthy and believed to be AI generated, the Council reserves the right to summarise the complaint and respond solely to the key points. This approach follows verbal guidance set out recently by the LGSCO, who is also experiencing increasing caseloads through AI generated content. The rights of the complainant to escalate to the LGSCO if they are dissatisfied with the Councils response remains. The following wording is recommended (based on the Whole Authority policy):

> "The Council recognises that members of the public may choose to use Artificial Intelligence (AI) tools to assist in drafting

correspondence or complaints. While we do not restrict the use of such tools, all submissions must remain:

- Accurate,
- Relevant to the matter being raised, and
- Proportionate in length.

Where a lengthy AI generated complaint has been submitted, the Council reserves the right to:

- Greatly summarise unnecessarily lengthy or repetitive complaints and respond only to the substantive issues raised;
- Issue brief position statements rather than detailed responses if the complaint includes excessive or irrelevant commentary.

Where correspondence appears to have been generated using AI in a way that produces excessive volume, repetitive material, or content that does not relate meaningfully to the issue, the Council may apply its unreasonable behaviour provisions."

4.7 The policies will set out that only complaints received via the e-form will be considered. Any submitted via email will receive an acknowledgement referring the complainant to the online form. To ensure that those unable to use the e-form are not disadvantaged, complainants will have the option to telephone the complaints team. It should be noted this change cannot be applied to either the statutory Childrens or Adults Social Care complaints policies, which are required to enable multiple mechanisms for submission. The following wording is recommended:

"You should submit your complaint via our online form at www.dorsetcouncil.gov.uk Complain to Dorset Council - Dorset Council . Complaints will not be accepted by email. If we receive an email complaint, we will not accept it and instead will respond signposting you to these pages. This allows us to process your complaint more efficiently. If there are any reasons why you are unable to submit your complaint online, you should contact the complaints team on 01305 221061 so that any alternative arrangements can be made."

4.8 The complaints email address will be removed from all policy documentation, to prevent it being referenced in AI generated advice to the public, over time.

4.9 Dorset Council hosts the Dorset Police and Crime Panel on behalf of both unitary authorities. It has its own complaints process, but its application

mirrors the Council's own arrangements, where able to. The Complaints Sub Committee meeting on 6 February 2026 agreed to replicate these approaches, if they are approved by Audit and Governance Committee.

4.10 A number of minor changes are also proposed to the Managing Customer Behaviours Protocols, based on comments fed back by the Deputy Monitoring Officer when reviewing appeals to decisions:

- The review of panel decisions should set out a timeline of 20 working days for the reviewing officer to seek to communicate an outcome. This is consistent for the timescales set out in the complaints policy.

- Section four of the protocol will be updated to enable a decision to be made virtually via circulation of appropriate documents, for straightforward cases, at the discretion of the Chair. However any panel member will have the right to request a full meeting where they believe this to be necessary.

4.11 In summary, this change is not about restricting the use of AI, but about addressing the practical difficulties created by long, unfocused email submissions—whether drafted manually or using AI tools. Unlike emails—which can vary significantly in format, contain excessive or irrelevant material, and require staff to manually interpret and re-enter information—the e-form provides a structured route that ensures all required information is captured at the outset, supports quicker triage, and reduces avoidable administrative burden. This adjustment aims to manage the operational impact of increasingly lengthy submissions and to maintain clarity in the complaints process, without limiting how individuals choose to prepare their complaint.

5. Alternative options considered

5.1 The alternate option considered was to retain existing policy wordings. However, to maintain standards of complaint handling and reduce the risk of increased escalations to the LGSCO, this would likely result in the need for additional resourcing across the corporate complaints function and those service areas that by their very nature generate significant customer contact.

6. Legal considerations

6.1 The statutory complaints processes for Childrens and Adults social care must enable customer contact via a range of mechanisms. Limiting contact to e-form only is therefore not practical. A further legal consideration is that current caseload and complexity is not sustainable without the proposed interventions, and therefore increases the risk of escalations to the LGSCO.

7. Financial implications

7.1 None

8. Natural environment, climate & ecology implications

8.1 None

9. Well-being and health implications

9.1 This proposed change to policy is intended to support staff currently carrying high caseloads. The Managing Unreasonable Customer Behaviour protocol is designed to protect Council workers against the negative effect of vexatious, aggressive or violent behaviour.

10. Other implications

10.1 None

11. Risk implications

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

Current Risk: Low

Residual Risk:Low

12. Equalities

12.1 An Equality Impact Assessment was completed. It was recognised that the restricting complaints submission to e-form only may negatively impact on some protected characteristics. The option therefore remains to contact the complaints team by telephone to support submission.

13. Appendices

13.1 None

14. Background papers

14.1 Report to Audit and Governance Committee 13 January 2025

Complaints policies / protocols for:

Childrens Social Care

Adults Social Care

Whole Authority

Councillor Code of Conduct

Dorset Police and Crime Panel

Managing Customer Behaviour

15. Report sign-off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

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Dorset Council

Report of Internal Audit Activity

Progress Report 2026/27 – April 2026

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:

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SWAP is an internal audit partnership covering 27 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

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

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

Audit Opinion:

This is our first update report for the 2026/27 financial year.

Our live Rolling Plan dashboard available through our audit management system AuditBoard AuditBoard | Login (auditboardapp.com), and specifically the Audit Coverage (*located on the first tab of the dashboard or on page 3 of this report*), reflects the outcomes of recently completed reviews. Based on these reviews, we recognise that, in general, risks are well managed. However, we have identified some gaps, weaknesses and areas of non-compliance. Due to recent Committee involvement and support from the Council's Strategic, Intelligence, Performance and Risk team to enable the Council to take greater ownership of audit actions, we have a slowly increasing level of confidence that the agreed actions will be implemented to address these issues.

Due to the significant concerns that were highlighted within the Annual Opinion Report for 2024/25, we continue to offer a **Limited** opinion until we are able validate that these areas of significant concern have been adequately resolved. Further detail on this can be found below.

Since our last progress report in February 2026, we have issued **one Limited** assurance opinion on the Governance of Financial Management in Schools. Further details on this can be found on page 7 where we have provided the summary audit report to offer the committee further insight.

Significant Corporate Risks

Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation
The third follow-up is now complete with all actions fully completed. This significant risk is now considered to be adequately mitigated. The follow-up report can be found on page 8.

Investigation (Building Compliance) Action Plan
We have concluded our first follow-up of just the actions which were due before April 2026, and all were found to be completed. There is a further tranche of 25 actions that are due for completion by 31 May 2026. We will therefore undertake a second follow up in early June to confirm their status. The Director of Public Health

continues to support this work and officer engagement remains very positive. Further details on this work can be found on page 9.

ICT Assurance Mapping

We have undertaken a follow-up in this area and can confirm that the actions agreed have been completed. As a result of our work the Council have engaged Public Digital to undertake an assessment of the Councils position in relation to cyber threats. Whilst it is extremely positive to report that all SWAP actions have been completed, the mitigation of the significant risk highlighted to the Committee in January is dependent upon the outcome of Public Digital's work, although we understand that initial indications are positive. The SWAP follow up report can be found on page 10

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

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

SWAP Internal Audit Plan Coverage

Table 1 below presents our audit coverage mapped against the Authority's **Principal Risks**. Further detail can be found using our audit management system, AuditBoard AuditBoard | Login (auditboardapp.com). The non-opinion audits represent advisory work rather than assurance engagements. To view the audits that make up the coverage, log into AuditBoard, right-click on a coverage cell, select "drill through", and then choose "audit details".

Table 1 – as at 1.04.2026

Principal Risk (Hover over Principal Risk title to see a definition)	Coverage	Average Opinion
Commercial	Some	Non Opinion Audits
Data and Information Management	Some	Limited
Finance	Good	Reasonable
Legal	Good	Reasonable
Operations	Good	Reasonable
People	Adequate	Substantial
Project / programme	Some	Reasonable
Property	Some	Non Opinion Audits
Reputation	Good	Reasonable
Security	Some	Reasonable
Technology	Some	Reasonable

Coverage	Description
Good	10 or more completed audits
Adequate	Between 5 and 10 completed audits
Some	Less than 5 completed audits
In Progress	1 or more audits are in progress
None	No coverage to date

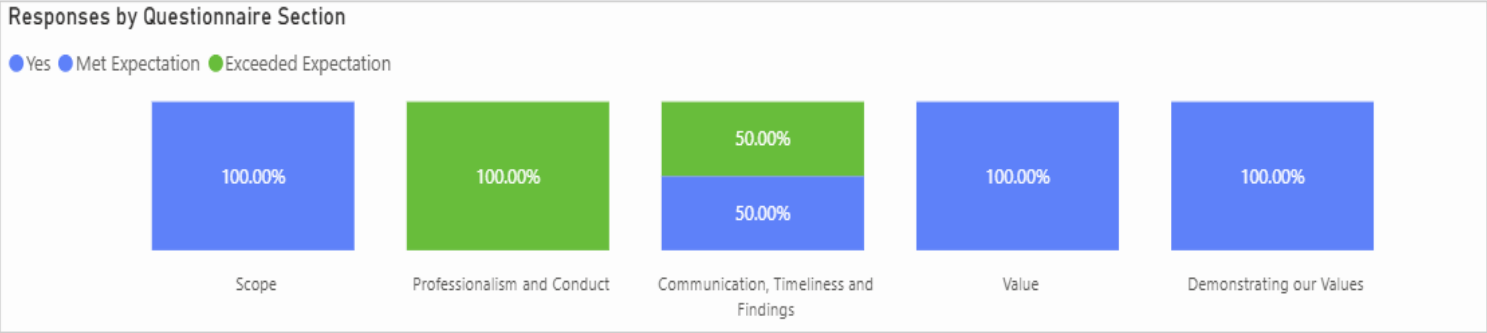
Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance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

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

SWAP Performance Measures

Performance scores from post audit questionnaires:

Scope	Professionalism and Conduct	Communication, Timeliness and Findings	Value	Demonstrating our Values
100%	100%	100%	100%	100%



Responsibility for monitoring and reporting the Council's performance for implementation of agreed actions now rests jointly with the Council's Policy, Insight and Performance Team and Internal Audit.

Implementation of Actions

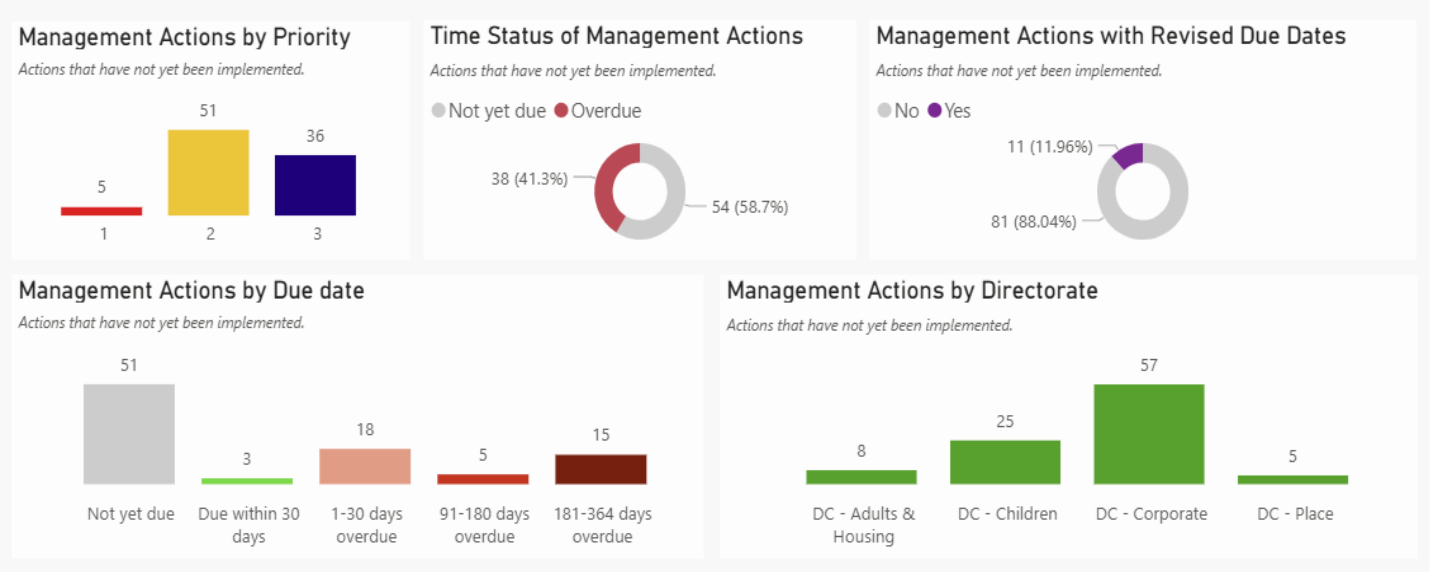
The graphic below provides an analysis of overdue priority 1, 2 and 3 actions. There are 92 actions that have yet to be implemented, 38 of which are currently overdue. 52% of the overdue actions are between 6 and 12 months overdue.

We have stopped revising implementation dates to avoid masking overdue actions and you will see that the number of actions with revised dates where the actions have not been implemented is dropping.

The Council's Policy, Insight and Performance are team are now reporting separately to the Committee on audit actions acting as a conduit between the Council and SWAP, to strengthen oversight of actions, with the aim of reducing the number of actions that become overdue, fostering engagement and accountability across directorates.

Additional information is available in the Management Actions tab of the SWAP Executive dashboard, which can be accessed via this link: [AuditBoard | Login (auditboardapp.com)]

Table - as at 1.04.2026



Added Value

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

Added Value

Cifas

The use of the Cifas data sharing service continues to deliver benefits in the prevention and detection of fraud. Previously agreed areas are still being routinely checked against the database, with matches identified and appropriate action taken where necessary.

Benchmarking

We have undertaken a couple of benchmarking exercises. The first was a comparison exercise on Section 117 of the Mental Health Act around how funding and protocols are managed with the local Integrated Care Board. The second piece of Benchmarking was on comparing Early Years/ Education Finance and Assurance Functions across other Local Authorities.

Newsletters and updates

SWAP regularly produces a newsletter and other relevant updates for partners, including fraud bulletins. These communications highlight topical issues and provide useful information to support awareness and risk mitigation.

Governance of Financial Management in Schools – Final Report – February 2026

Audit Objective

To assess the effectiveness of the Council's oversight of financial management in maintained schools, ensuring that controls are robust and support accurate financial reporting.

Executive Summary

Assurance Opinion

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

Management Actions	
Priority 1	0
Priority 2	4
Priority 3	1
Total	5

Organisational Risk Assessment Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.

Key Conclusions

- Key operational financial control requirements are not explicitly documented within core policies, increasing the risk of inconsistent processes and unclear accountability across the Council and Schools.
- Financial concerns are currently shared informally with the Team Manager by relevant officers (e.g. School Admin & Finance Support Officers, and Accountants) without a formal process for recording, escalating, or tracking issues. Although officers acknowledge the need for a structured approach, it is not yet embedded or applied consistently. To ensure clarity, consistency and accountability guidance and escalation requirements should be formally documented.
- Training materials reference outdated information because process changes are not effectively communicated between teams, preventing timely and accurate updates. A more coordinated approach should be adopted.
- Financial data for maintained schools is stored across shared drives and Teams sites, creating unclear communication and information governance risk.
- There is no formal version control or monitoring for key documents such as Quick Reference Sheets and the Financial Efficiency Policy, resulting in unclear review history. Good practice from the Scheme for Financing Schools could be used to strengthen these arrangements.
- There is a wide range of training and guidance available to schools through Dorset Nexus, including online, face-to-face, and targeted training options.

Audit Scope

The audit assessed the following: -

- Policy documents in place which define the roles and responsibilities of both the Council and schools in relation to financial management;
- Mechanisms used by the Council to monitor and maintain an oversight of financial controls in schools, including the year-end financial return process (timeliness, accuracy, completeness);
- Training, guidance, and resources provided to schools to ensure effective financial management and compliance with the Dorset Scheme for Financing Schools;
- Processes for identifying, escalating and reporting of issues and non-compliance.

Next Steps

The "Findings & Action Plan" which accompanies this report includes details of the management actions, which once completed, will enhance the control environment.

Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation – Follow Up Three - Final Report – March 2026

Follow Up Audit Objective	To provide assurance that agreed actions to mitigate against risk exposure identified within the 2025/26 Limited opinion audit of the Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation report have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	2	0	0	**2**
Priority 2	14	0	0	**14**
Priority 3	0	0	0	**0**
Total	**16**	**0**	**0**	**16**

Follow Up Assessment

The original audit was completed and reported in May 2025 and received a Limited assurance opinion. The first follow up audit found that ten of the sixteen actions had been completed. The second follow up found that five of those actions have been completed, leaving just one remaining. This follow up has confirmed that the final action has been completed.

Follow Up Scope

Testing has been performed in relation to all actions and supporting evidence obtained to support implementation of actions.

Key Findings

The current Comensura contract is in place until April 2026, with available extensions which have been considered by senior officers and members. The decision has been taken to extend the current contract by twelve months from 13 April 2026. This will allow the time required for the Council to upskill existing staff and plan for future arrangements.

All actions from the 2025/26 audit have been completed.

Next Steps

Further details of actions can be found in the attached management action plan. A summary of the key findings from our review will be presented to the Audit and Governance Committee on 27th April 2026.

Investigation Action Plan (Building Compliance) Follow Up 1 – Report – March 2026

Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2025/2026 audit of the Building Compliance Investigation have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	3	0	3	6
Priority 2	7	2	20	29
Priority 3	0	0	0	0
Total	10	2	23	35

Follow Up Assessment

The original audit was completed and reported in December 2025, resulting in a significant corporate risk. This is the first of two follow-ups, and the audit has identified that 23 actions remain outstanding, with an additional 2 in progress, although all are still within their agreed-upon timescales.

Follow Up Scope

All actions due before April 2026 have been tested and assessed as completed, with some later-dated action closures also supported by evidence.

Key Findings

The Council has continued to strengthen its governance, compliance, and procurement arrangements through the completion of several key improvement actions.

Enhancements to the c.net system show that direct awards and mini-competitions are now fully recorded, monitored, and supported by clear evidence trails, improving transparency and enabling more robust oversight of procurement activity. Supporting guidance has been issued, assuring that direct awards are justified, compliant, and appropriately documented.

Progress has also been made in relation to declarations of interest, where a refreshed approach has been developed to ensure officers, both permanent and temporary, confirm any potential conflicts. Updated guidance covering interests, gifts, hospitality, and secondary employment is being finalised through the Senior Leadership Team, reinforcing the Council's expectations around integrity and transparency.

Supplier onboarding practices have been strengthened, with due-diligence checks now formally incorporated into the Comensura process. Monthly spot checks are in place to confirm completion of Fraud, Corruption and CreditSafe checks, and escalation routes have been established for cases of non-compliance. The introduction of a structured toolkit to record findings and actions supports a more consistent and auditable approach to supplier vetting.

Finally, significant progress has been achieved in the Council's approach to building safety and asset compliance. There are defined roles and responsibilities, and an annual programme of inspections is in place. Updated procedures and strengthened accountability arrangements support ongoing compliance with health and safety requirements.

There is continuing positive engagement with responsible officers and a clear commitment to the remediation of the actions.

Further Follow-Up Required/Next Steps

Further details of actions can be found in the attached Management Action Plan. A summary of the key findings from our review will be presented to the Audit and Governance Committee on 27th April 2026.

A second follow-up audit will take place in June 2026, once the remaining actions reach their deadline of 31st May 2026.

ICT Assurance Mapping Follow-Up – Final Report – April 2026

Follow Up Audit Objective	Review the status and effectiveness of remediation actions for previously identified significant risks within Dorset Council's ICT assurance mapping, ensuring that all corrective measures have been implemented and that risk exposure is adequately managed.

Follow-Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	2	0	0	2
Priority 2	1	0	0	1
Priority 3	0	0	0	0
Total	3	0	0	3

Follow-Up Assessment

The original audit was completed and reported in January 2026, resulting in a significant corporate risk. This follow-up has confirmed that all three actions are complete.

Key Findings

The Council has continued to strengthen its governance, compliance, and risk management through the completion of the improvement actions.

The ICT Service now has a centralised repository in place to record minimal external assurance requirements, as well as a centralised tracking system for all issues raised by external and internal audits.

Review deadlines have been established for both, as well as reporting processes for requirements or timescales that are not met. Periodic oversight for this will be provided by the Operational Information Governance Group.

Additionally, the ICT Service have commissioned Public Digital to conduct a six-week review and associated follow-up work with regard to cyber posture in Dorset Council. Any recommendations raised from this report will be tracked, and there will be further work to align with the Cyber Assessment Framework (CAF).

Next Steps

Further details of actions and updates can be found in the Management Action Plan.

This summary of the key findings from our review will be presented to the Audit and Governance Committee on 27th April 2026.

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Dorset Council

Approach to Internal Audit Planning 2026-27

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Internal Audit Planning 2026-27: The Approach

The work of Internal Audit should align strategically with the aims, objectives and key risks of the organisation, taking into account key operations, transformation 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 Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Approach to Internal Audit Planning 2026-27

SWAP works closely with Senior Management in Dorset Council and in collaboration with the Risk Manager to deliver a flexible, responsive and risk-based approach to audit planning. Given the continued pace of change within local authorities and the transformational demands placed on services, a static annual plan would no longer provide the level of flexibility required. Over a number of recent years, we have demonstrated that our flexible planning approach has ensured 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.

We have fully embedded our continuous risk assessment and rolling plan approach and we build our plan in conjunction with management throughout the year.

The resulting programme will be a combination of audit work requested by management aligned to corporate priorities and work recommended by SWAP driven by our continuous risk assessment. This risk assessment draws on the Council's Principal and service risk registers (balanced against the Council's risk appetite), the Council's performance management data, and other known sources of assurance (where relevant and where known). We share the results of our risk assessments with Senior Management in Directorates to obtain their view on the value of internal audit involvement.

As the year progresses, we will update the Committee through our usual quarterly update report on Internal Audit activity. Alongside this, live access to SWAP's Audit management system AuditBoard, enables Senior Leadership and Audit & Governance Committee members to monitor coverage throughout the year and assess whether it remains sufficient and appropriate, aligned to 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.

Annually, or as required by change, we provide you with our Internal Audit Charter for your approval, which reflects our role and responsibilities as internal auditors within your organisation. We have included the Audit Charter for the Committee's consideration and approval at Appendix 1 to this paper.

Additionally, Appendix 2 presents the Audit Strategy, which details SWAPs longer term objectives and how these align to the objectives of Dorset Council.

Internal Audit Planning 2026-27: The Approach

We would encourage SLT and the Audit & Governance Committee to regularly review the dashboard in AuditBoard in order 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 assessment**

Note: Priorities remain fluid and are amended as work becomes more or less of a priority

A Rolling & Live Programme of Audit Work

Throughout 2025-26 we have continued to develop and refine a live rolling plan dashboard which is held on SWAPs Audit Management system, AuditBoard. Through this system Committee members and Senior Council officers are able to access and view our live rolling audit plan document.

This dashboard shows how audit work is building throughout the year to support SWAP in providing an annual opinion on the Council's governance, risk management and control environment. Our 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 strategic risks.

The rolling plan dashboard details all work we have completed across the year, along with work in progress and the status of that work.

The list of 'Future Proposed Audits' (found by clicking on the future proposed tab at the bottom of the dashboard) is our rolling audit plan, and details audit work that we propose to undertake in the future, along with an assessment of the priority and timing of that work. The tables below detail examples of our future proposed work currently planned and this will grow and change as the year progresses. The scope of our work is not fixed at this point and will be agreed at the point the work commences.

Audit Title	Type of Work	Audit Timing	Risk Priority
Capital Delivery	Assurance	Next	Higher priority
Dept for Business and Trade (DBT) Grant Certification	Grant Certification	Next	Higher priority
Embedding of Risk Management (Council-wide)	Assurance	Later	Higher priority
Monitoring of High Needs Block Expenditure	Assurance	Later	Higher priority
Property Acquisitions and Disposals	Assurance	Next	Higher priority
Response to Climate Emergency Phase 2	Assurance	Later	Higher priority
RP Obligations & NROSH+ Returns	Advisory	Next	Higher priority
Adults Social Care Transformation Programme	Assurance	Earlier	Medium priority
Brokerage/ Commissioning Process	Assurance	Earlier	Medium priority
Centralised Debt Recovery Processes	Assurance	Earlier	Medium priority
Cifas and NFI	Assurance	Next	Medium priority
Core Services in Place benchmarking	Advisory	Next	Medium priority
Debt Collection - Adults & Housing	Assurance	Next	Medium priority
Families First Partnership Programme	Assurance	Later	Medium priority
Harbour Authority Benchmarking	Advisory	Next	Medium priority

Audit Title	Type of Work	Audit Timing	Risk Priority
Housing Delivery/ Planning obligations under Section 106	Assurance	Earlier	Medium priority
New Procurement Regulations and Contract Compliance	Assurance	Later	Medium priority
Post-CQC Inspection Review	Assurance	Earlier	Medium priority
Premises Related Health and Safety re-visit	Assurance	Earlier	Medium priority
Accreditation for H&S in Waste - gap analysis	Assurance	Later	Lower priority
Active Travel Fund 5 (2024/25): No 31/7518 & 31/7519	Grant Certification	Later	Lower priority
Councillor Code of Conduct	Assurance	Earlier	Lower priority
Data Breaches	Assurance	Later	Lower priority
Dorset Centre of Excellence, LATCO	Assurance	Later	Lower priority
Effective Property Services	Assurance	Later	Lower priority
Effectiveness of using Digital Technology to Support the...	Assurance	Later	Lower priority
Elective Home Education - impact of the Children's Well...	Assurance	Later	Lower priority
Family Hubs Programme Phase 2	Assurance	Later	Lower priority
Fraud Risk Assessment Re-visit / exploring outcomes	Proactive fraud work	Later	Lower priority
Highway Maintenance Capital Funding (Highway Mainte...	Grant Certification	Later	Lower priority

Internal Audit Planning 2026/27: SWAP Internal Audit Services

SWAP is a public sector, not-for-profit internal audit partnership covering 28 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

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:

- **People Centred**
- **Professional Integrity**
- **Supportive Collaboration**
- **Service Excellence**
- **Purpose-Driven Efficiency**

Your Internal Audit Service

Audit Resources

The 2026/27 Internal Audit programme of work will be delivered within an overall budget of £471,580, which represents a 3% increase on the previous year, as agreed by the Service Manager for Assurance. No budget cuts have been proposed for the forthcoming year. 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 to be sought or 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, 07820312469
Sophie Blackburn, Principal Auditor – sophie.blackburn@swapaudit.co.uk 07951 245945

External Quality Assurance

Over the past year SWAP work has been completed to comply with the Global Internal Auditing Standards (GIAS) in UK Public Sector.

As required within the GIAS, SWAP is subject to an External Quality Assessment (EQA) of Internal Audit Activity at least every 5 years. The last of these was carried out in December 2024 which confirmed 'General Conformance' with the IPPF (the previous Internal Auditing standards framework). Members of the Audit Committee were provided with a full copy of this report at that time.

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 the Global Internal Audit Standards ethics and professionalism standards in relation to Integrity, Objectivity, Confidentiality, & Competency.

Our Reporting

A summary of Internal Audit activity will be reported quarterly to the Audit & Governance Committee (*as well as our detailed rolling plan dashboard highlighted above being available throughout the year*). Our reporting to 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.

Dorset Council

Internal Audit Charter and Mandate

INTERNAL AUDIT CHARTER AND MANDATE

Purpose

SWAP Internal Audit Services creates, protects, and sustains value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

SWAP and Dorset Council together recognise that the internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors Global Internal Audit Standards in the UK Public Sector which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence, pursue relentless curiosity and are committed to making objective assessments.

The Council's senior management:

- Welcome and recognise the benefit of an independent, effective internal audit function in helping Dorset Council to become a modern strategic unitary council
- Will support the direct accountability of SWAP to the Audit and Governance Committee
- Will require staff to co-operate with SWAP
- Expect SWAP to exhibit relentless curiosity and to escalate to management any failure of staff to co-operate with internal audit.

Commitment to Adherence to the Global Internal Audit Standards

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements subject to the Application Note for UK Public Sector Internal Audit. The chief audit executive will report annually to Dorset Council's Audit & Governance Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program, managed and monitored by the SWAP senior management team and the SWAP board.

Mandate

The Accounts and Audit (England) Regulations 2015, state that: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."

Authority

The Audit and Governance Committee grant the internal audit function the mandate to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the audit committee. Such authority allows for unrestricted access to the audit committee.

The audit committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance as necessary from Dorset Council personnel and other specialized services from within or outside Dorset Council to complete internal audit services.

Independence, Organisational Position and Reporting

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the audit committee and administratively (for example, day-to-day operations) to the Service Manager for Assurance and Chief Financial Officer (S151 Officer) . This positioning provides the authority and status to bring matters directly to senior management and escalate matters to the audit committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the audit committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant acquisition or re-organisation within the organisation.
- Significant changes in the chief audit executive, audit committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the internal audit function has sufficient authority to fulfill its duties, the audit committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to, communicates, and interacts directly with the audit committee, including in private meetings without senior management present.
- Ensure the application of a protocol agreed with Dorset Council to notify the chief audit executive of all suspected or detected fraud, corruption, or impropriety.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive / head of internal audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Collaborate with senior management to determine the budgets, qualifications, and competencies the organisation expects in a chief audit executive, as described in the Global Internal Audit Standards in the UK Public Sector.
- Review the chief audit executive's performance, provide feedback to the SWAP CEO, plus senior management, and the organisation's CEO.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review of the results of the quality assurance and improvement program annually.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of Dorset Council and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Dorset Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of Dorset Council employees, that are not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Audit and Governance Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- At least annually, submit a risk-based internal audit plan to the Audit and Governance Committee and senior management for review.
- Communicate the impact of resource limitations on the internal audit plan to the Audit and Governance Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes to Dorset Council's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit and Governance Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit and Governance Committee and senior management annually and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Dorset Council and communicate to the Audit and Governance Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to Dorset Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Audit and Governance Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit and Governance Committee.

Communication with Audit and Governance Committee and Senior Management

The chief audit executive will report periodically to the Audit and Governance Committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.

- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit and Governance Committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Dorset Council's risk appetite.
- A fraud risk self-assessment completed by Dorset Council with guidance from SWAP.

Appropriate escalation to senior management will take place where access to information, data or staff time has been limited, in order to prevent a scope limitation or significant delay to audit assurance work.

Quality Assurance and Improvement Programme

The SWAP senior leadership team in collaboration with the chief audit executive / will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit and Governance Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be completed at least once every five years by a qualified, independent assessor or assessment team from outside both SWAP and Dorst Council; qualifications must include at least one assessor holding an active Chartered Internal Auditor credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all Dorset Council activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit and Governance Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Dorset council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Dorset Council's strategic objectives are appropriately identified and managed.

- The actions of Dorset Council's officers, directors, management, employees, and contractors comply with Dorset Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Dorset Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Revised March 2026

Internal Audit Strategy

The Global Internal Audit Standards Standard 9.2 requires auditors to develop and implement an Internal Audit Strategy. The Strategy should set the medium-term direction for internal audit, support organisational objectives and align with Audit Committee and senior management expectations. It should set out:

- The service's vision
- Its strategic objectives and
- Initiatives for how the objectives will be achieved.

The Strategy is distinct from the Annual Plan, which covers a shorter period and specific engagements supporting the Annual Opinion.

Read SWAP's Business Plan
At This Link

How SWAP Addresses the Strategy Requirement

SWAP's **Five-Year Business Plan (2025-2030)** satisfies the Standards requirement for an Internal Audit Strategy. This plan outlines our strategic vision and details how we intend to develop and provide internal audit and assurance services throughout the five-year timeframe, including key objectives and the initiatives necessary to accomplish them. The Business Plan received unanimous approval from our Owner-Partners in December 2025.

Alignment to Dorset Council's Strategic Objectives

We designed our Business Plan around partner priorities and risks. In general, the Business Plan supports delivery of strategic objectives by aligning audit coverage, insight and capability to those priorities, for example:

SWAP Objective	How this supports Dorset's Strategic Priorities
Anticipatory Service Offer	Keeps assurance focused on Dorset's biggest emerging risks across housing, economy, communities and climate priorities
Partnership Benefits	Strengthens engagement and reporting so audit work stays aligned to Dorset's four priorities and delivery programmes
Standards-Conforming Work	Improves consistency and confidence in assurance over governance and controls underpinning Dorset's priority outcomes
Data-Driven Decisions	Enables insight-led planning and clearer reporting on risk and performance supporting Dorset's delivery of priorities
Well-Governed Controls	Provides assurance that core controls support safe, compliant and efficient delivery of Dorset's housing, economy, communities and climate aims

Monitoring the Business Plan

We monitor Business Plan delivery through SWAP's governance. Oversight by an Executive Leadership team led by SWAP's Chief Executive, regular reporting and challenge by our Board and biannual Owners' meetings including representatives from every Partner organisation to review progress and agree material updates.

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Audit and Governance Committee Work Programme 2025-26

27 April 2026		
Grant Thornton – External audit progress report	Update Report	Officer Contact - Julie Masci/Sam Harding
Quarterly Risk Management Update	Update Report	Officer Contact- Chris Swain, Liz Crocker
SWAP Update Report	Update Report	Officer Contact – Chris Heighway
Information Governance Update	Report	Officer Contact – Marc Eyre
Corporate Complaints Policy	Report	Officer Contact – Marc Eyre
Planning Paper 2026-27 & Internal Audit Charter	Planning Paper	Officer Contact – Sally White/Sophie Blackburn
Protecting our council - cyber security risk management and future improvement plans	Report	Officer Contact – James Ailward

29 June 2026		
Our Future Council Update	Update	Officer Contact – Nina Coakley/Lisa Cotton
Quarterly Risk Management Update	Update Report	Officer Contact – Chris Swain, Liz Crocker
SWAP Update Report	Update Report	Officer Contact – Chris Heighway/Sally White/Sophie Blackburn
Annual Internal Audit Opinion 2025-26	Opinion Report	Officer Contact – Sally White/Sophie Blackburn
Annual Governance Statement	Statement	Officer contact- Marc Eyre

3 August 2026		

12 October 2026		
Quarterly Risk Management Update	Update Report	Officer Contact – Chris Swain, Liz Crocker
SWAP Update Report	Update Report	Officer Contact – Chris Heighway/Sally White/Sophie Blackburn

16 November 2026		

25 January 2027		
Quarterly Risk Management Update	Update Report	Officer Contact - Chris Swain, Liz Crocker
SWAP Update Report	Update Report	Officer Contact – Chris Heighway / Sally White/Sophie Blackburn

22 March 2027		
Quarterly Risk Management Update	Update Report	Officer Contact - Chris Swain, Liz Crocker
SWAP Update Report	Update Report	Officer Contact – Chris Heighway / Sally White/Sophie Blackburn

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

Issue	Notes	Date raised

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