AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 3 AUGUST 2026

Present: Cllrs Spencer Flower (Chair), Steve Murcer (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andy Todd, Ryan Holloway, Ray Bryan, R Ong and S Roach

Apologies: Cllrs Beryl Ezzard and Ryan Hope

Officers present (for all or part of the meeting):
Sean Cremer (Director - Resources (Section 151 Officer)), Marc Eyre (Service Manager for Assurance), John Miles (Democratic Services Officer), Sophie Blackburn (SWAP), Lisa Cotton (Interim Executive Director - Modernisation and Customer Delivery), Alex Barrett (Cyber Security & ICT Continuity Lead), Jonathan Mair (Director – Assurance & Governance (Monitoring Officer)), Julie Masci (Director – Public Sector Audit Grant Thornton), Sam Harding (Grant Thornton) and Brian Hole (Programme Manager – Digital Innovation)

16. **Apologies**

Apologies for absence were received from Cllr Beryl Ezzard and Cllr Ryan Hope.

17. **Minutes**

The minutes of the meeting held on 29th June 2026 were confirmed and signed.

18. **Action Tracker**

Concern was raised regarding item number 6 on the action tracker and its lack of a completion date. It was confirmed that there was a date which was to be added to the tracker.

The action tracker was noted.

19. **Declarations of Interest**

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

20. **Public Participation**

There were no questions from members of the public.

21. **Questions from Councillors**

There were no questions from councillors.

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

There were no meetings held.

23. **External Audit Update - 2025-26**

The Director of Public Sector Audit (Grant Thornton) outlined the reports. The Annual IT controls report had previously come each financial year as a part of the financial statements audit. There had been some positive progress made which had led to previously reported deficiencies being removed from the report. There were some recommendations that had been brought forward in the report however they were rated as non-significant.

Concern was raised around the four people being identified as having inappropriate access to systems which was not best practice. It was asked whether the IT team needed more capacity as the problem felt like a staffing issue rather than a direct IT issue. It was confirmed that those four people had access as a part of the SAP support team who had the ability to perform those functions and that there was still risk but did not have any direct involvement with any financial processes relating to the accounts.

A general query was raised regarding end user computing controls such as spreadsheets and databases and whether it would be covered in the main audit. It was confirmed that this process was apart of the main audit and explained that IP testing would be done to make sure that nothing had been changed between the creation of these spreadsheets and databases and them coming to audit.

It was explained that the audit looks at those systems that generate the most financial information as they were key risk areas.

A discussion was had regarding inadequate control over accounts in SAP.

The second report was introduced and explained as a regular update report which included a general update on where progress with the audit was and an update on the sector.

The final report was on the assurance strategy. It was explained that there was not sufficient assurance on opening balances due to the missed audit year by the council's previous auditors in 2022/23, but the report stated that there was confidence that assurance could be regained.

The recommendations were noted.

24. **Recruitment to the Independent Remuneration Panel Report**

The Director of Assurance & Governance outlined the report. The report concerned the arrangements for the scheme of allowances made available to councillors. Councillors did not set their allowances in isolation but with the review from a panel and the chair of that panel had retired from the role. The panel therefore needed a new chair and was to have the number of people on the panel increased.

Recommendations proposed by Cllr Jill Haynes seconded by Cllr Ryan Holloway.

Decision:

- That support was sought from South-West Councils to fulfil the role of chair of the panel;
- That an open recruitment exercise was carried out to appoint one further panel member to the Independent Remuneration Panel.

25. **Dorset Council Internal Audit Progress Report**

The SWAP Audit Manager introduced the report. This included a follow-up audit of the investigation and building compliance action plan which proved the closure of most outstanding actions from the previous report and only two actions had remained as in progress. The second audit was the Better Care Fund which was a joint review between Dorset Council, Bournemouth Christchurch and Poole Council, and NHS Dorset Independent Care Board. The findings related to an expired section 75 agreement, collaborative working arrangements, and the recording of Better Care Fund issues.

Confirmation was sought regarding the three outstanding actions and which priorities related to each one and when the target dates for completion were. These were the same three actions from the previous report, but further action had been completed since then.

The recommendations were noted.

26. **Annual Internal Audit Opinion 2025-26**

The Assistant Director of SWAP introduced the report. It was explained that annually SWAP is required to form a conclusion on the effectiveness of governance and control within the council which was summarised in this report. After a review of the work done in 2025/26 a reasonable opinion was offered. Overall, the assurance work completed in 2025/26 had led to a more favourable opinion. To support the assessment for 2026/27 the audit plan was to be looked at to ensure the right coverage to assess how effective and imbedded certain actions that took time would be.

The recommendations were noted.

27. **Annual Fraud and Protected Disclosure Report**

The Service Manager for Assurance introduced the report. The report outlined the framework and highlighted the progress made after adopting the revised counter fraud and financial crime policy and the protected disclosure policy approved in 2025. There was a new fraud action plan which set out the council's current level of compliance mapped against a maturity model baseline report that SWAP had developed and identified areas of improvement. SWAP were to commence two audits shortly to support the work. The report included a summary of whistleblowing cases which had been kept at a top-level. The Protected Disclosure

Whistleblowing Policy was updated in May 2026 to reflect changes to employment legislation surrounding sexual harassment.

The recommendations were noted.

28. **Annual Governance Statement and Local Code of Corporate Governance**

The Service Manager for Assurance introduced the report. It presented the draft annual governance statement and local code of corporate conduct. The final version was to be signed by the Chief Executive and leader of the council. It reflected the May 2025 addendum for the first time which meant it now included the individual governance controls to show a more transparent system of progress. The report was currently in draft form to allow the committee to comment on the document.

A question was asked what the extent members were involved in the self-assessment process. The self-assessment was an assessment both from the various officers that own the identified subjects in the local code but there were also lead officers who could review and confirm whether they were comfortable with it. From a member perspective it was their opportunity to give any comments for review.

A conversation was had regarding section five of the report. It was confirmed that all the items marked as red were issues. It was commented that as there was a lack of progress being made on trying to get officers to complete mandatory training it and it was encouraged to continue to push for this training to be completed. It was asked why it was acceptable for employees to be in job roles where a DBS check was required but not completed. It was answered that as there was zero tolerance for lack of DBS checks which meant that the item would be marked as red very quickly. There were also mitigations in place during the processing times for DBS checks to be completed such as supervising staff and no safeguarding issues had arisen as a result.

A comment was made on the relevancy of the cyber-security training and was suggested that it needed some revision.

The recommendations were noted.

29. **Work Programme**

The work programme was noted.

30. **Urgent items**

There were no urgent items.

31. **Exempt Business**

Proposed by Cllr Murcer and seconded by Cllr 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 7 of schedule 12 A to the Local Government Act 1972 (as amended).

32. **Cyber Security Risk Action Plan Update and Responsible AI Framework Update**

The recommendations were noted.

Duration of meeting: 6.30 - 7.17 pm

Chairman

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