



Audit and Governance Committee

Date: Monday, 3 August 2026
Time: 6.30 pm
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

Members (Quorum: 3)

Spencer Flower (Chair), Steve Murcer (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andy Todd, Beryl Ezzard, Ryan Holloway, Ryan Hope and Ray Bryan

Co-opted Members: Roger Ong, Simon Roach

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

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

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda. If you would like to attend this meeting and have any specific requirements please contact the Democratic Services Officer named above.

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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 the 29 th June 2026.	
3. ACTION TRACKER	11 - 14
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 8.30am on Wednesday the 29th of July 2026.

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. QUESTIONS FROM COUNCILLORS

To receive questions submitted by councillors.

Councillors can submit up to two valid questions at each meeting and sub divided questions count towards this total. Questions and statements received will be published as a supplement to the agenda and all questions, statements and responses will be published in full

within the minutes of the meeting.

The submissions must be emailed in full to louis.wicks@dorsetcouncil.gov.uk by 8.30am on Wednesday the 29th of July 2026.

[Dorset Council Constitution](#) – Procedure Rule 13

7. MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE

To note the minutes of the Audit & Governance Hearing Sub-committee (if any meetings have been held)

8. EXTERNAL AUDIT UPDATE - 2025-26 15 - 64

To receive a report from Julie Masci, Grant Thornton - Director of Public Sector Audit

9. RECRUITMENT TO THE INDEPENDENT REMUNERATION PANEL REPORT 65 - 68

To receive a report from Jonathan Mair, Director of Assurance and Governance

10. DORSET COUNCIL INTERNAL AUDIT PROGRESS REPORT 69 - 76

To receive a report from Adam Williams, Assistant Director – SWAP

11. ANNUAL INTERNAL AUDIT OPINION 2025-26 77 - 98

To receive a report from Adam Williams, Assistant Director – SWAP

12. ANNUAL FRAUD AND PROTECTED DISCLOSURE REPORT 99 - 110

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

13. ANNUAL GOVERNANCE STATEMENT AND LOCAL CODE OF CORPORATE GOVERNANCE 111 - 176

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

14. WORK PROGRAMME 177 - 178

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 3 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) | Cyber Security Risk Action Plan Update and Responsible AI Framework Update | 179 -
192 |
| | To receive a report from Lisa Cotton, Interim Executive Director of Modernisation and Customer Delivery | |



AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 29 JUNE 2026

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

Present remotely: Cllr Neil Eysenck

Apologies: Cllrs Beryl Ezzard and Ryan Holloway

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

Sean Cremer (Director - Resources (Section 151 Officer)), John Miles (Democratic Services Officer), Jan Britton (Executive Director - Economy and Environment), Lisa Cotton (Interim Executive Director - Modernisation and Customer Delivery), Liz Crocker (Head of Strategy), Steven Ford (Assistant Chief Executive), Chris Heighway (Strategic Performance, Intelligence and Risk Lead), Jennifer Lewis (Head of Strategic Communications and Engagement), Chris Swain (Risk Management and Reporting Officer), Louis Wicks (Democratic Services Officer Apprentice) and David Wilkes (Service Manager for Treasury and Investments), Tom Scarratt (National Management Trainee), and Christopher Matthews (Head of People and Workforce)

Officers present remotely (for all or part of the meeting): Paul Dempsey (Executive Director – Children’s Services) and Adam Williams (Assistant Director - SWAP)

215. **Apologies**

Apologies for absence were received from Cllr Beryl Ezzard, Cllr Ryan Holloway, and Cllr Neil Eysenck.

216. **Minutes**

The minutes of the meeting held on the 27th April 2026 were confirmed and signed.

217. **Audit and Governance Action Tracker**

There was a comment regarding actions 3, 4, 5, and 9 which were in progress and it was suggested that if there was no due date assigned for future actions then it would be assumed they would be completed by the next meeting date.

The Head of Service - Strategy confirmed that action 5 would be completed at this meeting.

Going forward, it was agreed that completed actions would be removed from the action tracker.

The action tracker was noted.

218. Declarations of Interest

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

219. Public Participation

There were no questions from the public.

220. Questions from Councillors

There were no questions from councillors.

221. Minutes of the Audit & Governance Sub-committee

There had been no meetings held.

222. Quarterly Risk Management Update

The Risk Management and Reporting Officer introduced the report. The report continued the thematic reporting introduced in April which focused on four strategic risks which were selected by the committee and how they related to the council's principal risk and associated risk appetite for reputation. The report highlighted that while these risks remained significant, they were understood and actively managed. Alongside this update, the report set out the risk management framework.

The Integrated Care Board (ICB) Place Director for Dorset explained that they were in the process of bringing together three ICBs, had published their restructure plans, and were recruiting for those positions. This structure would be launched on the 1st of August.

A question was asked regarding what financial modelling had been done and when members of the committee would be informed should the council incur any costs from the NHS. The ICB Place Director explained that every year an annual plan was completed, and that this year a balance plan had been submitted for next year and was based on the best information available at the time. Concerns were raised regarding the financial risk to the future for Dorset Council's financial forecasting. The Director of Adults and Social Care commented that Dorset Council had done some modelling of the potential impacts of the current position with the ICB and that in the worst case scenario there could be financial pressures of £5 million to £8 million on the local authority if the current approach was maintained but were looking at it through a partnership lens.

It was commented that the report was about what officers were doing and not about whether it was working. There was a suggestion that the committee focus less on the existence of governance structures and more on whether those structures had provided better outcomes to making the council more secure. The report had some proposed mitigations but did not include how those mitigations

would affect the level of risk. The Risk Management Reporting Officer responded that the feedback regarding more detail would be taken away and looked at, and future reports would include information regarding the drivers of risks and the likelihood of them.

The Executive Director of Children's Services, commented on risk four which referred to the high needs block. There was a deficit in this area and the ICB had submitted a plan to the Department for Education which set out what was to be reformed regarding children with special educational needs and disabilities. Were this to be approved, central government would have funded 90% of the deficit.

The recommendations were noted.

223. Audit Actions Update Report

The Strategic Performance, Intelligence and Risk Lead introduced the report. The paper provided an update of progress against SWAP audits and associated actions, and highlighted activity since the previous committee meeting in April 2026. The focus of the report was around an update on the implementation of the investigation action plan audit. It was explained that a continued risk-based lens was used to present the audit activity which then aligned with the council's principal risks helping members focus on areas of greatest organisational exposure. There had been a reduction in overdue actions but it was highlighted that work still needed to be done to improve the amount overdue.

It was asked whether an explanation could be given as to when the actions surrounding staff signing up to corporate policies and declarations of gifts and hospitality would be completed. The Head of People and Workforce responded that the approach to capturing declarations would be launched in mid-July. The timeframe reflected the decision to change from a form to integrating the process into the existing DES system. This was done to ensure that the process aligned with other similar activities that sat within the system. The second overdue action regarding agency workers was aligned with the declarations action due to the need for those members of staff to be made aware of Dorset Council's policies and procedures.

A question was raised regarding how members of the committee received reports back of audit actions that have failed to make sure that those failures were not in other corrective actions. It was explained that it would be treated in the same way as the original report as a follow-up report being brought into the reporting cycle to ensure transparency.

It was confirmed that there was a rolling plan as a part of the review to identify what audits would go into the plan which was based on risk and was reviewed with management regularly. The investigation was an area of high risk and follow-up reviews were done on actions in that area to ensure the controls and actions were properly imbedded to drive cultural change.

It was suggested that there could be a second layer of checks done to ensure less problems in the future. Confirmation was given that sample or spot checks had been done within areas such procurement. A point was made that it was important

to make sure that these checks were monitored to make sure they were being done.

The recommendations were noted.

224. Transformation Update

The Interim Executive Director for Modernisation & Customer Delivery introduced the report. The report provided assurance on progress, governance and risk management across the transformation program including Our Future Council and built on the update received in February and aligned with the position reported to Cabinet from April. Since the last report the process had moved into the coordinated phase of delivery. There was greater clarity around the roles of Cabinet, Scrutiny, Audit & Governance committees, and the member transformation steering group. There had been tangible progress including the launch of the customer service hub and business support hub, the procurement of a new Enterprise Resource Planning (ERP) system, and the strengthening of leadership capacity. The overall risk profile remained high, however were better defined and actively managed. A number of mitigating actions had been put in place including strengthened programme capacity, a centralised portfolio management approach, and a benefits management framework.

Confirmation was requested regarding what financial savings were delivered from the 2025/26 financial year. The Director of Resources confirmed that it was £5.7 million which was against an original target of £10 million.

It was shared with the committee that the greatest risks sat with the financial and HR system implementations but were in a much stronger position than six months ago due to the recruitment of capable people to implement these systems.

The recommendations were noted.

225. 2025/26 Draft Outturn Report

The Director of Resources (S151) introduced the report. The report flagged that the current risk rating had been lowered to medium albeit that the underlying risk remained high. It was summarised how the council spent its money, with the headline that the council was in a balanced position with a moderate underspend. The milestone represented the active financial management and being able to balance the council's budget against the macroeconomic climate. It was delivered through offsetting, tighter spend controls and budget constraints. The report also highlighted the assessment on the reserves which included a review of what the risks were, what the expected financial magnitude of those risks were, and taken an overall view of financial risks which were being controlled.

A discussion was had regarding treating the reserves with caution due to pressures elsewhere. An overall summary of the tables within the report was given.

A question was asked regarding whether the quarter 1 (Q1) spend would have any impact on the rest of the year should that spend be high. It was explained that those figures were being worked on at the time and would come back to the committee meeting in October. It was noted that there had been a familiar forecast profile this year in terms of Q1 and Q2 becoming challenging followed by an overspend in Q3 and an underspend in Q4.

Regarding an item on page 104 within the report, it was asked whether a reference to an external report was being used to validate excuses as to why the council was not achieving its budget or was it being used to learn how to stem the issues. The paragraph in question had been put in to set the context of spending within Children's Services across the country rather than to make any excuses. Children's Services were working with partners to work with families as soon as possible and make sure that cases did not escalate into high-cost areas, however the number of children in care had gone up.

It was noted that a statement of caution was present in the report explaining that the positive headline should be treated with caution due to underlying financial pressures on services continuing. It was explained that the residual risk remained high due to these financial pressures, however current risks were reduced due to the underspend. All councils had been offered a potential 90% write off of the Dedicated Schools Grant (DSG) deficit which at the time stood at £150 million and was driving the reason for the risk being at a medium level. Concerns were raised that while this deficit write off would help, the council would inevitably incur extra costs over the next couple of years and it was asked whether it was too soon to downgrade the risk. As stated in the report the council would still spend in excess of the budget, and while the DSG deficit could be written off, it was still expected to grow to a similar number by 2028. However, due to the continued response from central government regarding the DSG deficit the risk was significantly mitigated.

Notwithstanding the reporting of an underspend the Chair emphasised the role of the Committee in ensuring that the Council understands the risks it faces. He expressed concern and reminded members of underlying financial pressures and trends and the need for caution as to how any underspend is reported.

The recommendations were noted.

226. 2025/26 Statements of Accounts

The Director of Resources (S151) introduced the report. This report included the statement of accounts for Dorset Council and the Dorset Pension fund for the financial year ending 2026. It covered income and expenditure, asset management, and long-term sustainability. The document was to be subject to external audit to test a number of topics covered within the paper. The key financial reporting governance framework external audit was underway and would be back in November with a final opinion.

The recommendations were noted.

227. **Work Programme**

The work programme was noted.

228. **Urgent items**

There were no urgent items.

229. **Exempt Business**

There was no exempt business.

Duration of meeting: 6.30 - 8.25 pm

Chairman

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**Audit and Governance
Action Tracker.**

Outstanding Actions						
Number	Action	Officers/Cllrs asked to complete action.	Date action issued	Date Due	Latest Status	Date of Completion
3	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)	12 th January 2026		In-Progress	
4	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.	12 th January 2026		In-Progress	
6	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?	Marc Eyre (Service Manager for Assurance).	12 th January 2026	Updated Information Governance Report - 27 April 2026.	In-Progress	

**Audit and Governance
Action Tracker.**

Page 12	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 to address these issues, including system oversight, resourcing, and training?					
9	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).	24 th November	23 rd February 2026	In-progress	
Completed Actions						
5	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 (Cyber Attack). Risk 200 (Health Service Reform) has also been requested, to be provided when sufficient information becomes available. This	Chris Swain (Risk Management and Reporting Officer).	12 th January 2026		Complete	29 th June 2026

**Audit and Governance
Action Tracker.**

	approach is intended to strengthen thematic oversight of key strategic risks					
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IT Audit Findings

Dorset Council and Pension Fund

Year ended 31 March 2026

Issued 20/05/2026

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Section 1: Executive summary

01. Executive summary	
02. Scope and summary of work completed	
03. Summary of IT audit findings	
Details of IT audit findings	

To support the financial statement audit of Dorset Council and Pension Fund (“Dorset”) for year ended 31 March 2026, Grant Thornton has completed a design and implementation review of the IT General Controls (ITGC) for applications identified as relevant to the audit.

This report sets out the summary of findings, scope of the work, the detailed findings and recommendations for control improvements.

We would like to take this opportunity to thank all members of the Dorset team for their support and cooperation in the completion of this IT audit.

Section 2: Scope and summary of work completed

01. Executive summary

02. Scope and summary of work completed

03. Summary of IT audit findings

04. Details of IT audit findings

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The objective of this IT audit was to complete a design & implementation controls review over Dorset's IT environment to support the financial statement audit. The following applications were in scope for this audit specific to Dorset Council:

- SAP
- R&B
- Active Directory

The following applications were in scope for this audit specific to Dorset Pension Fund:

- SAP
- UPM

We completed the following tasks as part of this IT Audit:

- Evaluated the roll forward ITGC assessment for security management and change management controls and cybersecurity;
- Performed high level walkthroughs, inspected supporting documentation and analysis of configurable controls in the above areas;
- Completed a detailed technical security and authorisation review of Dorset's SAP system as relevant to the financial statements audit, and
- Documented the test results and provided evidence of the findings to the IT team for remediation actions where necessary.

Section 3: Summary of IT audit findings

- 01. Executive summary
- 02. Scope and summary of work completed
- 03. Summary of IT audit findings**
- Details of IT audit findings

Summary of IT audit findings

This section provides an overview of results from our assessment of the relevant Information Technology (IT) systems and controls operating over them which was performed as part of obtaining an understanding of the information systems relevant to financial reporting. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT system	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks / other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
SAP	Detailed ITGC assessment D&I					n/a
R&B	Detailed ITGC assessment D&I					n/a
UPM	Detailed ITGC assessment D&I					n/a
Active Directory	Detailed ITGC assessment D&I					n/a

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Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements / significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

Section 4: Details of IT audit findings

- 01. Executive summary
- 02. Scope and summary of work completed
- 03. Summary of IT audit findings
- 04. Details of IT audit findings**

SAP ITGC Assessment Findings

1.



Assessment	Issue and risk	Recommendations
	Users with inappropriate access to Develop and import changes GT compared all users with the ability to develop changes in development with those with the ability to create/import transports in production and noted that there are 4 users with access to Develop and import changes into the production system creation SOD conflict. Risks The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs	Management should segregate a user's ability to develop and implement changes. Privileged access to the production environment should be revoked from users that are involved in development. If for operational reasons access cannot be fully segregated, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained. Management response The four developers have access to both development and to transport changes into production, this is due to capacity in the support team. We have minimised the number of people that can transport changes into production as much as possible, whilst enabling us to operate. These 4 members of the SAP support team also need to be able to make changes, so we're unable to place a segregation in this area. The alternative would be for someone outside of the SAP support team to apply transport changes to production, which is seen as a greater risk. To mitigate the risk we record the transports that have been promoted to the production system in our monthly audit report and highlight if an exception occurs, which is either; an unexpected user transports a change, or a transport was created and transported by the same person. This report is reviewed by the team Manager by exception. This happens very rarely and has only occurred in the past through a patching activity, where we are in "firefighting mode".

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

SAP ITGC Assessment Findings

2.



Assessment	Issue and risk	Recommendations
	Users with inappropriate access to Development access in production system. GT noted that one user has direct development access in the production environment. In addition, the user has access to sensitive transactions SCC4 (Client Opening) and SE06 (Maintain Global Settings) in the production system. However, we further noted that access to transaction SCC4 and SE06 has been removed from this user following our observation being raised. Risks Developers with production access can introduce, modify, and execute code without independent review or approval, bypassing change management controls and increasing the risk of unauthorized or inappropriate changes.	Management should remove direct development access to the production environment and enforce strict segregation of duties. Where exceptional access is required, it should be provided on a temporary, approved, and monitored with full logging and post-implementation review. Access rights should be reviewed periodically to ensure alignment with the principle of least privilege. Management response Following the draft findings of Grant Thornton we were able to review our ability to provide cover and/ or segregation of duties. To that end as recorded we were able to remove this user from having direct access to development in production to provide enhanced security.

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Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

SAP ITGC Assessment Findings

Assessment	Issue and risk	Recommendations
3.	Users with inappropriate access to Configure and delete audit logs in production system. GT noted that there are 4 users with access to Configure and Delete audit logs. However, we further noted that access to transaction SM19 (Configure Audit Log) has been removed from the relevant BASIS roles following our observation being raised. Risks Inappropriate and anomalous activity may not be detected and resolved in a timely manner.	Management should segregate a user's ability to configure (SM19) and delete (SM18) user security event logs within production. If for operational reasons access cannot be fully segregated, alternative options to mitigate the risk could include usage of Firefighter accounts with a set validity period based on formal approvals. Management response As documented, we have removed SM19 (Configure Audit Log) and in so doing negated the requirement to segregate users ability to both configure and delete, as configure is no longer available. To be able to free space on the server we do need to occasionally remove logs, we therefore felt that we are not able to delete SM18, which is the second recommendation.

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

SAP ITGC Assessment Findings

4.



Assessment

Issue and risk

Recommendations

Users with inappropriate access to maintain global settings

GT noted that there are 4 accounts that have access to transaction SE06 (Maintenance of Global Settings) in the production system. This level of access poses a risk of unauthorized or inappropriate changes to system-wide configuration settings, potentially impacting system integrity, security, and financial reporting.

However, we further noted that none of the users executed transaction SE06 during the audit period. Additionally, access to this transaction has since been removed for the identified users.

Risks

This transaction provides the ability to perform critical system configuration activities. Inappropriate or unauthorized use of this access could result in unapproved changes to system settings, potentially compromising system integrity, operational stability, and compliance.

Management should remove access to maintain global client settings in production environment and enforce strict segregation of duties.

Access rights should be reviewed periodically to ensure alignment with the principle of least privilege.

Management response

As documented, none of the four members had utilised SE06 (Maintenance of Global Settings) and we have removed access to SE06 from all four accounts as per recommendation.

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Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

SAP ITGC Assessment Findings

5.



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Assessment	Issue and risk	Recommendations
	Inadequate control over Generic account in SAP GT Noted that a generic user account is used to execute background jobs. However, this user is configured as type “S – Service,” which allows interactive login using credentials. This creates a risk of unauthorized system access and inappropriate activities being performed without individual accountability. Furthermore, no controls were identified to restrict access to this user ID or to govern password management, increasing the risk of misuse and control circumvention. However, we further noted that the user type for this account has been changed from Service (Type S) to System (Type B) following the observation being raised. User accounts classified as Type B – System are non-interactive and are not permitted to log on using standard credentials. Risks The use of generic or shared accounts with high-level privileges increases the risk of unauthorised or inappropriate changes to the application or database. Where unauthorised activities are performed, they will not be traceable to an individual.	Management should undertake a review of all user accounts on the application to identify all [generic/ privileged] accounts. If the account is used solely for executing background jobs and is not assigned to any individual user, it is recommended that the generic user account be reclassified to user type B (System) or user type C (Communication) post internal impact analysis. This change will prevent interactive logon using credentials and reduce the risk of unauthorized access. Management response As documented, to mitigate any risk, we have now changed this account to a system user so it can not be logged in with. Also to confirm, this account has never been logged into historically.

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Review of findings raised in prior year – SAP

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Users with inappropriate access to ABAP debugger in production ABAP debugger is used for performing debugging functions such as inserting a code to correct any errors in the source code. Users are therefore able to execute unauthorised transactions through these amendments to code. We noted that there were 26 active Dialog(A) accounts and 1 Service (S) assigned with access to ABAP Debugger in production granted via S_DEVELOP authorisation object. We further observed that 20 users had made program attributes changes, accounting header documents changes and master data changes during the audit period. The 7 others have access to ABAP debugger in production but have not made any changes during the period. Risk Unauthorised access to ABAP debugger increases the risk of: • unauthorised change or deletion of table entries including tables that are typically protected by SCC4, • the ability to perform debugging functions by inserting break-point statements into program code • the ability to bypass authority checks and execute transactions	• This deficiency has been remediated.

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Review of findings raised in prior year – SAP

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	Segregation of Duties Conflict as developers have access to production GT compared all users with the ability to develop changes in development with those with the ability to create/import transports in production and identified the following: • there were 2 user accounts with no longer required access to develop changes in development environment as well as 19 background system user accounts; • there were 2 accounts with access to import transport requests (via STMS) belonging to a former member of SAP Support Team and a background user account; • there were 3 developers with access to implement changes in production environment, having access to both development and transport changes to production. GT verified that all users were members of the SAP Support or HR Systems teams, hence a general recommendation has been made to remove access for the generic background system accounts and those users no longer requiring SAP development functionality. Risks The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs	• This deficiency has been partially remediated. • Refer to SAP ITGC Assessment Finding 1.

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Review of findings raised in prior year – SAP

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	User access within SAP was kept valid after the user's termination date A leaver with a leaving date of 30 August 2024, we confirmed that the account was deactivated on 02 September 2024, 2 business days after the leaving date. GT confirmed that this was due to the leaving date occurring on a Friday and the request being actioned the following Monday. Risk Where system access for leavers is not disabled in a timely manner, there is a risk that former employees will continue to have access and can process erroneous or unauthorised access transactions. There is also a risk that these accounts may be misused by valid system users to circumvent internal controls.	• This deficiency has been remediated.

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Review of findings raised in prior year – SAP

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Ineffective production client configuration settings GT identified that the Global System Change Option (SE06) settings were set to 'Modifiable' within production client. This setting allows direct changes to objects associated with ABAP software components in production. GT have confirmed that the setting was changed as part of an approved request on 04 June 2024 and the 'Changes and Transports for client specific objects' is set as 'No changes allowed'. Risk If client settings are not configured to restrict direct changes to repository objects or cross client customising objects in production, there is a risk that there could be unauthorised changes to financially critical production data.	This deficiency has been remediated.

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Review of findings raised in prior year – UPM

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Lack of oversight over third-party users assigned privileged systems access in UPM GT has identified the following Civica vendor user and generic accounts with privileged access assigned in both application and MS SQL database layers of UPM system: • Application - 1 user and 2 generic accounts; • Database - 32 user and 2 generic accounts. <i>Refer to Appendices file, tab "UPM Accounts" for further information.</i> Due to the lack of SOC 1 Type II attestation for UPM system provider Civica, GT is unable to gain assurance over appropriateness of the user access for these accounts or of any activity performed. We noted that the access for these accounts is provided on a permanent basis and neither activity monitoring nor user access reviews are performed by Dorset. Separate inquiry procedures were conducted with the Civica vendor regarding their change management process and privileged access controls. However, no additional evidence was provided to substantiate the high-level control procedures outlined. Risks Without adequate oversight over the third-party users of system administration accounts, there is an increased risk of unauthorised or inappropriate changes to the underlying data. In addition, usage of shared/ generic third-party accounts create a lack of accountability around changes made within the system.	• This deficiency has been remediated.

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Review of findings raised in prior year – Active Directory

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Lack of oversight over a privileged generic account in Active Directory GT was not provided with complete evidence relating to the management of the password to 1 generic AD account, such as: - account last log in date; - whether the password is held in secure location/password manager; - whether the password is changed after each use. Furthermore, GT has confirmed that this generic user ID is used as a support account, however, its activity is not logged and monitored. Risks The use of generic or shared accounts with high-level privileges increases the risk of unauthorised or inappropriate changes to the application or database. Where unauthorised activities are performed, they will not be traceable to an individual. The excessive use of accounts with privileged access increases the risk of end-users being able to: - change system configuration settings without authorisation and approval - read and modify sensitive data, - create, modify or delete user accounts without authorisation, - delete or disable system audit logs	• This deficiency has been remediated.

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Review of findings raised in prior year – Active Directory

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Lack of formal activity monitoring over generic user ID in Capita GT confirmed a lack of formal activity monitoring review documentation for the following privileged generic accounts: • 2 generic administrative accounts that are shared by 6 members of the Technical Support and Development Service. • 1 generic user ID with privileged access to the application, which is used by Capita vendor to provide remote support. Furthermore, GT was not provided with last log in dates for these accounts to verify whether their activity falls within the April 2024 to March 2025 audit period. Risks Without formal and routine reviews of security event logs, inappropriate and anomalous activity may not be detected and resolved in a timely manner. Additionally, unauthorised system configuration and data changes made using privileged accounts will not be detected by management.	• This deficiency has been remediated.

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Dorset Council and Pension Fund

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Audit progress report and sector update

July 2026

Agenda

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Audit Progress Report

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Introduction



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Director

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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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Progress as at 9 July 2026

Financial Statements Audit – Council and Pension Fund

The Council published its draft financial statements for the Council and Pension Fund ahead of the statutory deadline and our audit work is currently underway.

We commenced our final accounts work in late June 2026, with good progress being made. We anticipate delivering our audit opinion in November.

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Value for Money

We identified three significant weaknesses in our work last year. These covered financial sustainability, governance and improving economy, efficiency and effectiveness.

Significant weaknesses raised in the prior year are a clear indicator of a risk in the current year.

Our work is focussed on the following areas:

- the Dedicated Schools Grant (DSG) deficit, and arrangements for delivering transformation savings;
- arrangements to strengthen procurement governance.

Our review has begun with an initial meeting with the Director of Resources and the Director Assurance & Governance.

We are currently undertaking a desktop review of documentation before more detailed meetings will be held in the late summer/early autumn.

The review will be concluded in November.

Progress as at July 2026 (continued)

Other areas

We are undertaking work on the housing benefit subsidy and teachers pension scheme certification for 2025-26 to support submission to the relevant government departments by end of November 2026.

Meetings

Since commencement of our work in respect of the 2025/26 audit year we have met with the Director of Resources, the new Head of Internal Audit and meet regularly with other finance officers.

Audit Fees

Public Sector Audit Appointments Ltd (PSAA) published their scale fees for 2025/26: [2025/26 audit fee scale - PSAA](#)

For Dorset Council these fees are £611,529 for the Council audit and £100,886 for the Pension Fund. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Events

We provide a range of workshops and network events. Recent events include a webinar exploring the roles and responsibilities of Audit Committee Chairs and members, and how the Audit Committee functions within a wider governance landscape.

A workshop for finance officers covering recent changes to accounting standards, CIPFA (Chartered Institute of Public Finance and Accountancy) guidance and areas identified from our sector wide audits of local authority financial statements.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council’s 2025/26 financial statements.	27 April 2026	Delivered
Audit Findings Report The Audit Findings Report will be reported to the Audit and Governance Committee.	16 November 2026	Not yet due
Auditor’s Report This includes the opinion on your financial statements.	16 November 2026	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	16 November 2026	Not yet due

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Audit related deliverables	Planned Date	Status
Teachers’ Pensions Scheme – certification This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.	30 November 2026	Not yet due
Housing Benefit Subsidy – certification This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.	30 November 2026	Not yet due

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Sector Updates

Devolution and local government reorganisation (LGR)

Audit Committee are encouraged to review our good practice checklist and reach out for latest technical updates.

Latest key developments to be aware of:

- ❖ 25th March 2026 – Government decisions published on unitary structures for four of the six Devolution Priority Programme (DPP) areas. Next steps published for the remaining two areas. [Written statements - Written questions, answers and statements - UK Parliament](#)
- ❖ 29th April 2026 – Royal Assent given to the English Devolution and Community Empowerment Act, enhancing powers and responsibilities for strategic authorities; establishing combined authorities; and strengthening local audit arrangements. [English Devolution Bill receives Royal Assent - GOV.UK](#)
- ❖ 7th May 2026 – First shadow elections held in East and West Surrey. [Surrey Local Elections May 2026 results – Surrey LGR Hub](#)

Key future dates to be aware of:

Three councils have been reported as mounting legal challenges to reorganisation. Subject to the outcome of their challenges, remaining key dates to be aware of are:

- ❖ **April 2027** – Surrey shadow authorities' vesting day.
- ❖ **May 2027** – Shadow elections - all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- ❖ **April 2028** – Vesting day for all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- ❖ **May 2028** – Shadow elections Sussex and Brighton Devolution Priority Programme areas.

Recommended reading:

- ❖ A good practice checklist for councils embarking on LGR can be found in our report: [Learning from the new unitary councils](#).
- ❖ Audit Committees [can request updated technical guidance](#) reflecting latest developments from their Engagement Lead.



Latest changes to laws and regulations

For information: Recent legal and regulatory changes that Audit Committees need to be aware of.

Changes that Audit Committees need to be aware of:	Dates	Further information
English Devolution and Community Empowerments Act	29 th April 2026 – Royal Assent	Enhanced powers and responsibilities for local government, and new local audit arrangements
Renter Rights Act	1 st May 2026 – Officially took effect	Introduces new duties for local authorities to take enforcement action for beaches and tenancy law by private landlords
Social Housing Renewal Bill	13 th May 2026 – King’s Speech	Changes to eligibility requirements, discount rules and exemptions planned for Right to Buy
Overnight Visitor Levy Bill	13 th May 2026 – King’s Speech	Mayors and potentially other local leaders to be able to change new tourist taxes
Education for AI Bill	13 th May 2026 – King’s Speech	Planned changes to arrangements for young people with Special Educational Needs and Disabilities
Public Office (Accounting Bill)	13 th May 2026 – King’s Speech	Introduces new duties of candour for local authorities and other public bodies
Town and Country Planning (local Planning) (England) Regulations 2026	25 th March 2026 – Statutory Instruments	New system introduced for Local Plans
Combined Authorities (overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Order 2026	14 th May 2026 – Statutory Instruments	Provides a formal mechanism for setting commissioner allowances in Combined Authorities and Combines County Authorities
Sporting Events Bill	14 th May 2026 – Impact Assessment and DCMS Memorandum	Proposes new enforcement powers for local authorities in ticketing protection

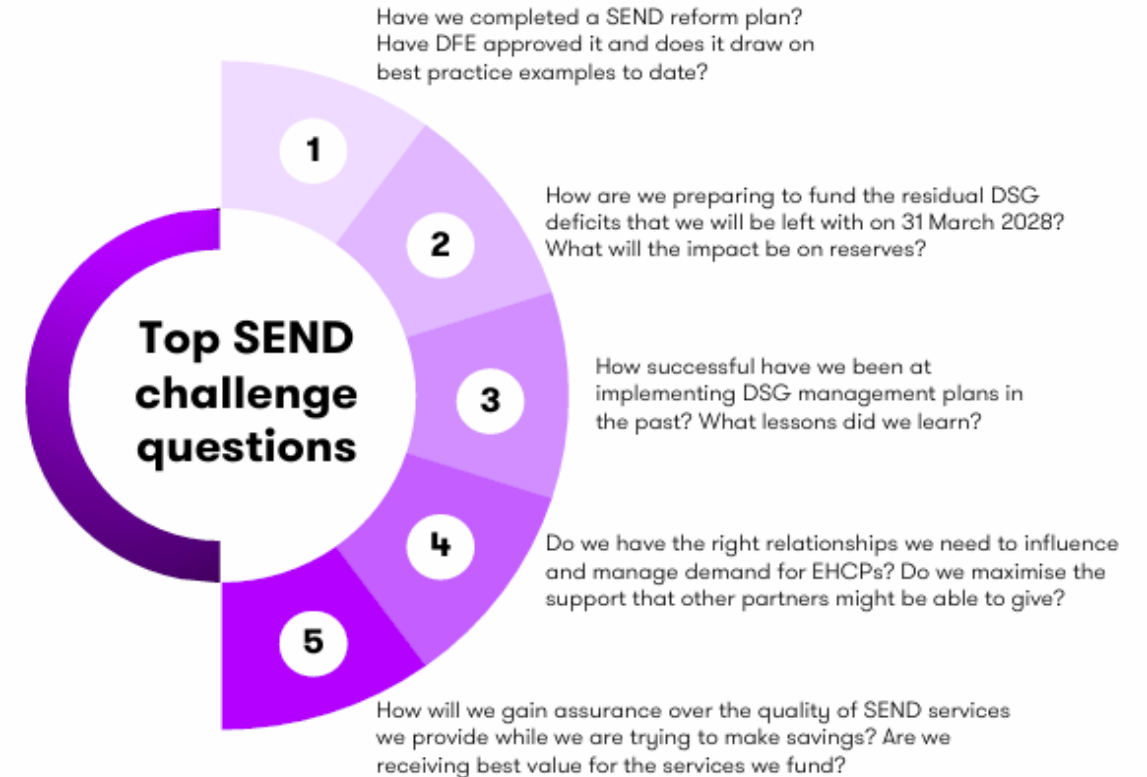
Lessons from Auditor's Annual Reports on Managing Dedicated Schools Grant Deficits

For information: Residual SEND related risks to be aware of, despite proposed reform.

Our latest report on Lessons from Auditors' Annual Reports, published on 20th May 2026, highlights lessons for [Managing Dedicated Schools Grant Deficits](#).

- ❖ New commitments by the government to fund up to 90% of Dedicated Schools Grant deficits on 31st March 2026, if Councils can agree SEND reform plans for their area with the Department for Education (due by 19th June 2026);
- ❖ The financial risks that councils will face once statutory override ends on 31st March 2028;
- ❖ Difficulties encountered so far by councils in effective planning for the management of DSG deficits;
- ❖ The benefits of working proactively with psychologists, teachers and families to make the most of current arrangements; and
- ❖ The importance of maintaining quality and efficiency in SEND service.

With the arrival of the Education for All Bill, Audit Committee members are encouraged to ask their councils:



CIPFA Bulletin 23 – Closure of the 2025/26 financial statements

CIPFA has issued Bulletin 23 (April 2026) to support authorities in preparing the 2025/26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025/26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- ❖ Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- ❖ It applies to most property, plant and equipment, excluding council dwellings, along with leased assets if measured at valuation.
- ❖ Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- ❖ CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- ❖ In rare cases where no index is available a desktop valuation is required in year three.

For a full copy of Bulletin 23, see [CIPFA Bulletin 23 – Closure of the 2025/26 financial statements | CIPFA](#)

More detailed guidance on indexation is available in CIPFA's [CIPFA Bulletin 22 Indexation application guidance | CIPFA](#)

Dedicated Schools Grant (DSG) high needs stability grant

The bulletin highlights that the grant is subject to conditions, including the requirement to obtain Department for Education approval of a local SEND reform plan.

Authorities will need to consider their specific facts and circumstances (which may vary) to determine the appropriate treatment within their own 2025/26 accounts, including:

- ❖ whether or not grant income should be recognised.
- ❖ whether disclosures are necessary (eg contingent assets, events after the reporting period).

Audit Committees can help by asking:

- ❖ What assurance is available that the indexation applied is appropriate for the authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?
- ❖ If applicable, does the treatment of high needs stability grant appropriately reflect the requirements of the CIPFA Code, including the timing of income recognition and transparency of disclosures?

Valuing people

For information: Audit Committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government organisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- ❖ More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- ❖ More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

The Care Quality Commission (CQC) is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 “Quality Statements” with 24 “Key Lines of Enquiry”, looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC’s change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.



Neighbourhood health frameworks

Audit Committees need to ask their councils what steps are being taken to prepare for changes in the way they work with the NHS.

A [new policy paper on Neighbourhood health frameworks](#) was published on 17th March 2026 – setting out plans to create a new “neighbourhood health service”. This:

- ❖ Builds on ambitions first [set out by the government in 2025](#) to move the focus of health care from hospital treatment to community prevention; and
- ❖ sets out expectations for neighbourhood level partnership working across the health and care system from 2027/28 onwards (with the NHS, local authorities and community and voluntary partners).

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As the NHS is embarking on a period of restructuring, and local government is reorganising at the same time, councils will need to be clear about what their responsibilities are; how they will agree local neighbourhood health objectives with partners; and how they will measure progress.

Audit Committees can help by asking officers:

- ❖ What are the risks for our council, and how are these mitigated?
- ❖ How do we identify key public health partners and agree strategic objectives with them?
- ❖ How will we measure neighbourhood health achievements?



Fit for purpose - partnerships and procurement

Audit Committees need to ask their councils how robust their leisure partnerships and procurement are.

Whilst high profile government announcements in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

SOLACE and Alliance Leisure held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- ❖ Co-locating libraries and community services with leisure centres; and
- ❖ Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.



In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), appointed administrators following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Audit Committees can help by asking officers:

- ❖ Are our services for residents and schools at risk?
- ❖ When was the last time we checked the financial health of our contract operators?
- ❖ Do we have a register of community and voluntary sector partners that we are co-delivering social and health prevention impacts with?
- ❖ When was the last time our leisure estates strategy was updated? Are we optimising the use of the estates that we have?
- ❖ How are we measuring the performance of our leisure estates and leisure contracts?
- ❖ Where applicable, what oversight is the health scrutiny committee exercising?

Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-ias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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Regaining Assurance Strategy for Dorset Council & Dorset County Pension Fund

July 2026



Sean Cremer
Section 151 Officer
Dorset Council
County Hall
Colliton Park
Dorchester
DT1 1XJ

9 July 2026

Dear Sean

Regaining Assurance Strategy for Dorset Council and Dorset County Pension Fund

This report sets out our plan to rebuild audit assurance at Dorset Council (the Authority) following the disclaimer of opinion issued under the statutory backstop for the years ended 31 March 2025, 31 March 2024 and 31 March 2023. This plan has been agreed with management and will be communicated to the Ministry of Housing, Communities and Local Government (MHCLG) by 31 July 2026.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (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 for the preparation of the financial statements.

Julie Masci

Director
For Grant Thornton UK LLP

Chartered Accountants

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Key messages

Audit Report

We anticipate our 2025-26 audit report will be modified.

Following disclaimed audit reports for the years 2022/23 to 2024/25, we do not expect to be able to support an unmodified opinion on the 2025/26 financial statements. Our audit focus is on 2025/26 in-year transactions and closing balances, with sign-off targeted for 30 November 2026.

Authority

Delivery depends on the Authority

Successful build-back requires high-quality draft accounts, comprehensive working papers, timely audit access and continued focus on internal controls. We have discussed and agreed the strategy and trajectory for rebuilding assurance with the Section 151 Officer and Chief Officer. The fee will be agreed and reported to the Audit and Governance Committee in due course.

£145,109 of Section 31 grant funding has been provided to the Council to resource the work.

Trajectory

Three-year plan to unmodified by 2027/28

Aligned to NAO LARRIG guidance, with phased build-back of assurance over opening balances, reserves, property and pensions across the 2025/26, 2026/27 and 2027/28 audits.

MHCLG capacity assessment

We have assessed the Authority as Category A

An assessment is required by 31 July 2026 covering build-back timing, opinion trajectory and key risks. More detail is available on page 6.

Background

What and why

As part of the regaining assurance process we are engaging with MHCLG and PSAA as key stakeholders in monitoring and supporting the agenda across the sector.

MHCLG and PSAA have made a joint request for us to provide information for each body subject to the build-back process. The requested information includes a capacity assessment for each body, to be produced with input from both the audit team and the audited body.

The assessment is intended to give MHCLG and PSAA a more granular understanding of: progress of build-back work to date; planned timing of future work; the year in which a qualified opinion and an unmodified opinion are likely to be achieved; key audit risks; the audited body's capacity to support the build-back; and any significant constraints, including restrictions on the auditor's capacity.

Process

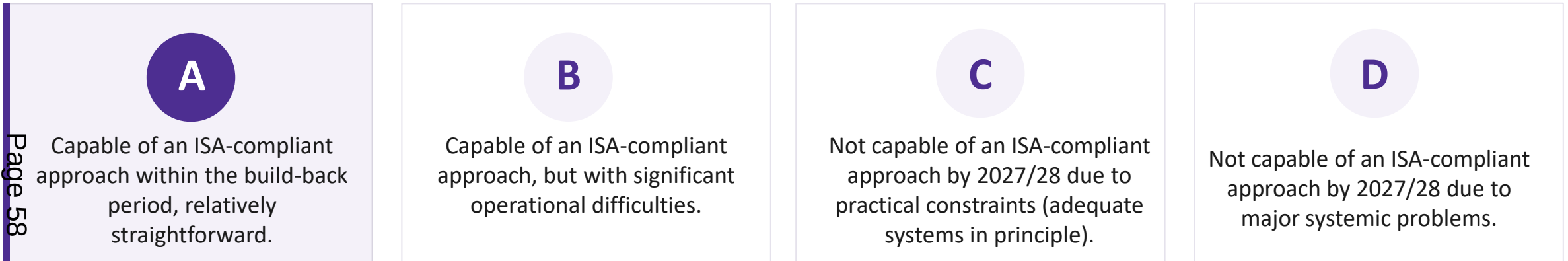
The following pages set out our response.

The information will be used by MHCLG to:

- Better understand the nature and impact of key risks and constraints on the build-back process
- Identify and/or evaluate any significant problems that would benefit from further policy intervention and develop appropriate solutions.
- To develop reliable estimates of the overall cost and timescale of the build-back process and support the review of the build-back grant funding model in autumn 2026.
- To support the government's stewardship of local authorities (including in relation to Local Government Reorganisation) and other bodies by identifying bodies for which an ISA-compliant build-back is unlikely to be possible by the end of 2027/28 and the reasons for this.

Overall assessment and key risks

Under the MHCLG capacity assessment framework, we have provisionally assessed this audit as Category A. The framework categorises audits as follows:



Principal factors supporting our assessment

Technical challenges

Dorset is a well managed council, without significant technical and accounting challenges. We have assessed that the Council has sufficient arrangements in place to support a timely build back and assurance can be regained by 2027/28, as this aligns with the end of the scheduled property revaluation cycle. Reasonable assurance over the system of internal control has given by the Head of Internal Audit.

Audited body capacity

The Council produces timely accounts where only a small number of audit adjustments have arisen in recent audits completed. In our judgement, there is sufficient capacity within the finance team to assist our audit build back procedures.

Expected audit report trajectory

Our planning estimate of when our audit report is expected to transition from disclaimed to qualified, and from qualified to unmodified, is set out below. These are planning estimates only; they cannot be taken as a commitment or guarantee as to the opinion eventually issued for a given year.

2024/25 Disclaimed Disclaimed opinion issued on 27 February 2026.	2025/26 Disclaimed A disclaimer of opinion expected. Focus on in-year transactions and closing balances. Sign-off targeted for 30 November 2026, ahead of the 31 January 2027 backstop date.	2026/27 Qualified Transition to qualified opinion anticipated reflecting partial build-back of prior-year balances relating to land and building valuations and reserves.	2027/28 Unqualified Unmodified opinion anticipated, subject to satisfactory completion of the build-back work programme and absence of any new significant issues.
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What the opinion types mean

Unmodified (clean): the financial statements give a true and fair view, in all material respects.

Qualified ("except for"): true and fair, except for one or more identified areas where we could not obtain sufficient evidence or where we disagree with the accounting treatment.

Disclaimer of opinion: we could not obtain sufficient evidence to form any opinion — effectively, no audit assurance.

Build-back work programme

The table below summarises when we plan to undertake build-back work for each audit area. It is consistent with the information we will submit to MHCLG within the capacity assessment by 31 July 2026.

Audit area	Timing and approach
Statutory reserves	Staged substantive testing across 2025/26 to 2027/28 audits, aligned to NAO LARRIG.
Property assets	Staged asset testing of property valuations across 2025/26 through to 2027/28 audits – aligned to timing of rolling valuation programme and testing of historic additions/disposals.
Pension deficit / surplus	No further build back required. For 2025/26 audit onwards – reliance on IAS 19 actuarial reports for current year.
Long-term debtors and creditors	The material balances relate to long term borrowings, which have been verified through external confirmations.
Working balances (cash, receivables, payables)	Largely covered through 2025/26 testing of in-year transactions and closing balances.
Pension fund (administering authority only)	A ‘Qualified’ opinion was issued in 2024/25, reflecting partial build back of the pension fund accounts in the prior year. Subject to the satisfactory conclusion of the current year audit, the Dorset County Pension Fund accounts will revert to an unqualified opinion for 2025/26.
Other audit work (journals, payroll, grants, disclosures)	Substantively covered each audit year from 2025/26 onwards.

We will refresh this timetable and in subsequent Audit Findings Reports if material changes arise.

Regaining assurance

The below is a simplified illustration of how our build back work programme might build assurance over the coming years' audits:

2025/26 audit process

	24/25	25/26	
CIES	G	G	Assurance over in year transactions for current and prior year
PPE	A	A	Assurance gained over valuations at 31/03/26
Pensions	G	G	Assurance gained over 2025 actuarial process and 2025/26 closing position
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	R	R	No assurance over reserve balances at 31/03/24 impacting opening reserves position brought forward and closing position

R	No assurance
A	Partial assurance
G	Adequate assurance

2026/27 audit process

	25/26	26/27	
CIES	G	G	Assurance over in year transactions for current and prior year
PPE	A	A	Assurance gained over valuations at 31/03/27
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	R	A	Full programme of regaining assurance work performed, however we have not fully regained assurance over the balance sheet.

2027/28 audit process

	26/27	27/28	
CIES	G	G	Assurance over in year transactions for current and prior year
PPE	A	G	Assume 5-year rolling valuation programme complete
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	A	G	Full programme of regaining assurance work performed

Next steps and timetable

The key milestones in the regaining assurance programme are set out below.

March 2026 Completion of 2025/26 interim audit work and risk assessment.	30 June 2026 Submission of draft 2025/26 financial statements.	31 July 2026 MHCLG capacity assessment submitted, with Authority's comments where available.	June to October 2026 Completion of the 2025/26 build-back work programme.
30 November 2026 Issue the audit report for the year ended 31 March 2026.	31 January 2027 2025/26 backstop date for publication of audited financial statements.	January 2027 Commencement of 2026/27 audit and next phase of build-back.	2027/28 audit Target year for return to unmodified opinion, subject to satisfactory progress.



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Audit and Governance Committee

3 August 2026

Recruitment to the Independent Remuneration Panel

For Decision

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s): N/a

Senior Leadership Team:

J Mair - Director, Assurance and Governance

Report author and job title: Lindsey Watson (Senior Democratic and Governance Officer)

Email: lindsey.watson@dorsetcouncil.gov.uk

Statutory Authority: Local Authorities (Members' Allowances) (England) Regulations 2003

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

1. Executive summary

- 1.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, Dorset Council is required to maintain an Independent Remuneration Panel (the panel), made up of at least three persons independent to the council, who review and make recommendations to Full Council in respect of the Scheme of Members' Allowances.
- 1.2 Following the resignation of the chair of the panel, there are two panel members remaining, and therefore the council needs to consider the appointment of a new independent person to the panel and to consider the arrangements for how the panel is chaired moving forward. To improve resilience, it is recommended that a specialist chair be sought and that in addition, one further panel member be recruited, to increase the total panel membership to four.
- 1.3 The Scheme of Delegation in the Constitution, sets out that the Audit and Governance Committee must determine procedures associated with the

appointment of any independent remuneration panel.

2. Recommendations

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

3. Reason for the recommendation(s)

- 3.1 To ensure that Dorset Council maintains an Independent Remuneration Panel in accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and in line with the requirements of the Scheme of Delegation for the Audit and Governance Committee, as set out in the Constitution.
- 3.2 Accessing support available from South West Councils to chair meetings of the panel will provide relevant expertise and regional knowledge, which will be invaluable to the effective working of the panel. Appointing an additional panel member, to increase the panel size to four members, will provide improved resilience.

4. The report

- 4.1 To ensure transparency and fairness, councils do not set their councillor allowances schemes in isolation and are required by law to establish and maintain an Independent Remuneration Panel. The Independent Remuneration Panel is responsible for monitoring the Members' Allowances Scheme and will make recommendations to the council regarding setting or amending the scheme. Full Council must have regard to the recommendations of the panel when setting or amending a scheme of allowances. The [current Dorset Council Scheme of Members' Allowances](#) is available on the council's website.
- 4.2 The Independent Remuneration Panel makes recommendations to the council regarding the level of a basic allowance available to all members, any special responsibility allowances payable, travel and subsistence rates, arrangements for a carers' allowance, allowances for co-opted and independent members and the mechanism for adjusting allowances on an annual basis and backdating of allowances where amended. It also acts as the Parish Remuneration Panel for all parish and town councils within the Dorset Council area, making recommendations to these councils about the levels of allowances available to parish and town council members, if their council chooses to pay allowances.
- 4.3 The Independent Remuneration Panel has previously been comprised of three independent persons, with one panel member taking on the role of chair.

Following the resignation of the panel chair, the council needs to recruit at least one person to join the panel, and to consider the arrangements for chairing meetings in the future.

- 4.4 The proposal is to seek support available from South West Councils, to provide the chairing role for the panel, which will provide expertise and regional knowledge, including from their involvement with a number of other panels across the region.
- 4.5 In addition, it is proposed that one further panel member be sought, to increase the membership of the panel to four persons. This will provide improved resilience. It is proposed that an open recruitment exercise is undertaken, in line with the council's processes and tailored to reflect the independent nature of the position. Due to the nature of the position, there are restrictions on a person's ability to be a member of an independent remuneration panel, as set out in the regulations.

5. **Alternative options considered**

- 5.1 The following alternative options were considered:
 - a) Recruit one new panel member through an open recruitment exercise, to retain the panel membership at three members, and appoint a chair from the membership
 - b) Recruit two new panel members through an open recruitment exercise, to increase the panel membership to four members, and appoint a chair from the membership
 - c) Recruit one or two new panel members through an open recruitment exercise and approach known people with previous local government experience to signpost them to the recruitment process.

6. **Legal considerations**

- 6.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, Dorset Council, is required to maintain an Independent Remuneration Panel, made up of at least three persons independent to the council. The regulations require that the panel undertakes a fundamental review and makes recommendations to Full Council at least every four years, on the type and levels of allowances available within the Scheme of Members' Allowances, and the mechanism used to update any allowances made available. The last fundamental review took place in 2025, with the next review scheduled for 2028/29. In addition, there may be a requirement for ad-hoc reviews in between, to consider any governance changes and it is also proposed that the panel be invited to meet on an annual basis to undertake a quick 'check-in' review of the scheme of allowances.

7. Financial implications

- 7.1 There is no additional cost to the council from the recommendations made. The involvement of South West Councils would form part of their service provided to member organisations. Panel members can claim £250 per review undertaken, but with one additional panel member proposed, this does not incur any additional cost to the panel's previous arrangement.

8. Natural environment, climate and ecology implications

- 8.1 None directly applicable.

9. Well-being and health implications

- 9.1 None directly applicable.

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 The recruitment and selection process for the additional panel member will be in accordance with Dorset Council's recruitment policy and will reflect the independent nature of the role and the restrictions in place, as set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.

13. Appendices

- 13.1 None

14. Background papers

- 14.1 [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)

- 14.2 [Members' Allowances Scheme 2026 to 2027 - 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 Assurance and Governance (Monitoring Officer), the Director Resources (Section 151 Officer) and the appropriate Portfolio Holder(s)

Dorset Council

Report of Internal Audit Activity

Progress Report 2026/27 – July 2026

Executive Summary

The contacts at SWAP in connection with this report are:

Adam Williams Assistant Director
Adam.williams@swapaudit.co.uk

Sophie Blackburn Principal Auditor
sophie.blackburn@swapaudit.co.uk

SWAP is an internal audit partnership covering 28 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/>



Internal Audit Plan Progress Update

Internal Audit Progress Update

This is our second update report for the 2026/27 financial year, providing an update on the delivery of work against the internal audit plan up to 6 July 2026.

Since our last progress report in April 2026, we have issued no adverse opinions to draw to the attention of the Committee. Two reviews highlighted for the attention of Members are our follow up audit of the Investigation (Building Compliance) Action Plan and the Better Care Fund - Joint Commissioning Arrangements review. Further details of both audits are provided below.

Whilst areas of non-compliance or control weakness have been identified within our reviews, we have an increasing level of confidence that agreed actions will be implemented to address these issues as a result of the support of the Committee and work undertaken by the Council's Strategic, Intelligence, Performance and Risk team to enable the Council to take greater ownership of audit actions.

Our live Rolling Plan dashboard is available through our audit management system Optro ([Optro | Log In](#)). The Audit Coverage dashboard reflects the outcomes of recently completed reviews. **Appendix A** of this report provides members with a summary of audits completed since the previous update, highlighting the opinions offered, actions agreed and our assessment on risk.

Investigation (Building Compliance) Action Plan

We have concluded our second follow-up, of which all remaining actions were due for completion by 31st May 2026. Out of the 35 actions overall, 32 have been completed and 3 are currently in progress. While these remaining actions are beyond their agreed timescales, audit is satisfied that sufficient progress is being made to support their completion.

Further details on this work can be found in **Appendix B**.

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.



Internal Audit Plan Progress Update

Better Care Fund - Joint Commissioning Arrangements

This was a joint review between the internal audit providers of NHS Dorset ICB, Dorset Council and Bournemouth, Christchurch & Poole Council conducted by BDO LLP, SWAP Internal Audit Services and BCP Internal Audit team. The purpose of the audit was to provide assurance that funds within the Better Care Fund are being utilised in line with the Better Care Fund plan and in accordance with national guidelines, and to understand to what extent funds are achieving the intended outcomes of the national Better Care Fund objectives and the priorities of the Dorset ICS. The report was prepared by BDO and assessments made against BDO's methodology.

SWAP's work on the Better Care Fund review focused on assessing the adequacy of governance, oversight, financial management and performance reporting arrangements from Dorset Council's perspective. This included reviewing Health and Wellbeing Board papers, meeting with senior officers and Better Care Fund leads, assessing the consistency of the Section 75 Agreement and Better Care Fund planning documentation, reviewing funding flows and sampled scheme expenditure, and testing the quality and accuracy of activity data linked to selected KPIs.

Findings specific to Dorset Council have been incorporated into our audit management system, Optro, and agreed actions will be tracked via the usual process. Findings identified within the review include:

- Expired Section 75 agreements (priority 1)
- Lack of defined and documented collaborative working arrangements for Better Care Fund delivery (priority 2)
- Lack of internal process for recording and tracking informal Better Care Fund related issues (priority 3)

All actions have been agreed with management and have an agreed implementation date.

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium	Risk
					Action			
					1	2	3	
2025/26 Audits								
Assurance	Children's Services Contracts & Homes Monitoring	Final	Reasonable	1	0	0	1	Low
Proactive fraud work	Anti Tax Evasion	Final	Substantial	1	0	1	0	Low
Assurance	Moving from Self-Funding to Council Funding	Final	Reasonable	4	0	3	1	Medium
Operational	Accounts Payable 2025-26 July to December (January 2026)	Final	Continuous Assurance	1	0	1	0	Low
Assurance	Continuous Key Controls Accounts Payable 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Operational	Revenues and Benefits 2025-26 May to October (November 2025)	Final	Continuous Assurance	1	0	1	0	Low
Assurance	Continuous Key Controls Revenues and Benefits 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Advisory	Our Future Council Review Two	Final	Advisory	1	-	-	1	Low
Assurance	Highways Maintenance Block funding	Final	Reasonable	2	0	2	0	Low
Advisory	Better Care Fund - Joint Commissioning Arrangements	Final	Advisory	3	1	1	1	N/A
Follow Up	Second Follow Up of Investigation Action Plan	Final	Follow Up	-	-	-	-	N/A
Assurance	Fleet Maintenance	Draft						
Assurance	Frontline Services Resource Management	In progress						

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium	Risk
					Action			
					1	2	3	
2026/27 Completed Audits								
Operational	Continuous Key Controls Main Accounting 2026-27 November to April (May 2026)	Final	Continuous Assurance	-	-	-	-	Low
Grant Certification	Dept for Business and Trade (DBT) Grant Certification	Final	Certified	-	-	-	-	N/A
2026/27 In Progress Audits								
Special Review	Street Lighting PFI	Draft						
Assurance	Resettlement - Readiness and Lessons learned	Draft						
Assurance	Fostering / Kinship	In progress						
ICT - Assurance	ICT Vulnerability Management	In progress						
Operational	Continuous Key Controls Payroll 2026-27 November to April (May 2026)	In progress						
Assurance	Early Years Block and Funding 2	In progress						
Assurance	Adults Brokerage Process	In progress						
2026/27 – Waiting to go live audits								
Assurance	Birth to Settled Adulthood	Waiting to go live						
Continuous Audit	Continuous Key Controls Accounts Payable 2026-27 January to June (July 2026)	Waiting to go live						

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
Continuous Audit	Continuous Key Controls Accounts Receivable 2026-27 January to June (July 2026)	Waiting to go live						
Continuous Audit	Continuous Key Controls Revenues and Benefits 2026-27 November to April (May 2026)	Waiting to go live						
Continuous Audit	Continuous Key Controls Treasury Management 2026-27 January to June (July 2026)	Waiting to go live						
Advisory	ERP Implementation	Waiting to go live						
Assurance	Family Networks	Waiting to go live						
Counter Fraud	Fraud Risk Assessment	Waiting to go live						
Assurance	Grounds Maintenance	Waiting to go live						
Grant Certification	Local Transport Resource Funding and Integrated Transport Block Grant	Waiting to go live						
Assurance	Property Acquisitions and Disposals	Waiting to go live						
Assurance	Quality Assurance of Children's Alternative Provision	Waiting to go live						
Advisory	Registered Provider Obligations & NROSH+ Returns	Waiting to go live						
Future Proposed Audits								
Future proposed audits are included as part of our live Rolling Plan, which is regularly reviewed through ongoing risk assessments. All audits identified are mapped to corporate priorities and risk themes.								
You are able to access the dashboard showing the current status of all audits and those included in the rolling plan through the following link. Optro Log In								

Investigation Action Plan (Building Compliance) Follow Up 2**Investigation Action Plan (Building Compliance) Follow Up 2 – Report – July 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	5	1	0	6
Priority 2	27	2	0	29
Priority 3	0	0	0	0
Total	32	3	0	35

Follow Up Assessment

The original action plan was agreed in December 2025 following completion of an investigation into building compliance within Assets and Property, which identified a significant corporate risk. This is the second follow up of actions with the first undertaken in March 2026. The audit confirms that 32 actions have been completed, with a further 3 actions in progress. While these remaining actions are beyond their agreed timescales, audit is satisfied that sufficient progress is being made to support their completion.

Follow Up Scope

All 25 outstanding actions from the initial follow-up have been reviewed.

Key Findings

There has been significant progress on the completion of actions identified from the investigation. Only three actions remain, with progress as follows:

Work is underway to enhance arrangements for interim staff, with the Agency Worker welcome pack and supporting guidance under review. These updates are intended to strengthen expectations around induction, completion of mandatory training, and awareness of core corporate policies, supporting improved integration and oversight.

In relation to gifts and hospitality, a refreshed approach to officer declarations is being developed. Updated guidance is in progress, alongside the introduction of a new process within DES to capture declarations. This system is currently in testing, with further consideration being given to how declarations for agency workers and interims will be recorded and managed, ensuring comprehensive coverage across the workforce.

Progress has also been made in strengthening links between the procurement forward plan and financial management processes. While direct reconciliation with SAP has been deemed impractical, the forward plan is being incorporated into the budget forecasting process. This enhanced approach, currently in draft, is expected to improve visibility of committed spend and reduce the risk of unmonitored expenditure, with full rollout anticipated in July 2026.

These actions represent positive progress; however, implementation is ongoing and will require embedding before their full effectiveness can be assessed.

Further Follow-Up Required/Next Steps

Further details of the actions are provided in Appendix 1. No further formal follow-up audits are planned; however, progress against the remaining three actions will continue to be monitored.

Whilst we have assessed actions as completed, there is still an ongoing need to ensure the controls implemented are embedded and sustained over time. Future reviews will be considered as part of the rolling audit plan that will support in assessing the effectiveness of the controls implemented.

Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found here (www.swapaudit.co.uk/audit-framework-and-definitions)

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Dorset Council

Internal Audit Annual Opinion Report 2025/26

Page 77

Agenda Item 11

Internal Audit Annual Opinion – 2025/26: ‘At a Glance’

Annual Opinion



There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

The Headlines

	Three Limited Assurance opinions issued during 2025/26 and one Advisory review which was assessed as High Risk.
	59 reviews delivered as part of the 2025/26 Internal Audit Plan. Includes assurance, advisory, follow up reviews and investigations.
	42% of reviews received either a substantial or reasonable assurance and 5% received a limited opinion. The remaining 53% of work related to advisory, grant, follow up or investigation work and continuous audits of key controls.
	149 actions have been implemented between 1 April 2025 and 31 March 2026 From November 2025, the Policy, Insight and Performance Team took responsibility for monitoring and reporting audit actions, with updates managed through regular reviews and reporting to Committee.
	Positive progress towards implementation of actions arising from the H&S Investigation in 2024/25 The H&S investigation undertaken as part of the 2024/25 plan resulted in 35 actions. A further review into compliance with the Council Constitution and Scheme of Delegation identified 16 actions, giving a combined total of 51 actions. Forty-eight of these actions have now been assessed as implemented through our follow-up work as part of the 2025/26 audit plan, with three remaining outstanding.

Internal Audit Assurance Opinions 2025/26

Substantial	6
Reasonable	19
Limited	3
No Assurance	-
Other (Advisory/Grant Work/Investigation)	31

Internal Audit Agreed Actions 2025/26

Priority 1	9
Priority 2	72
Priority 3	40
Total	121

Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's strategic risks, governance, risk management and internal control environment,
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement.
- Summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

Executive Summary

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit & Governance Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

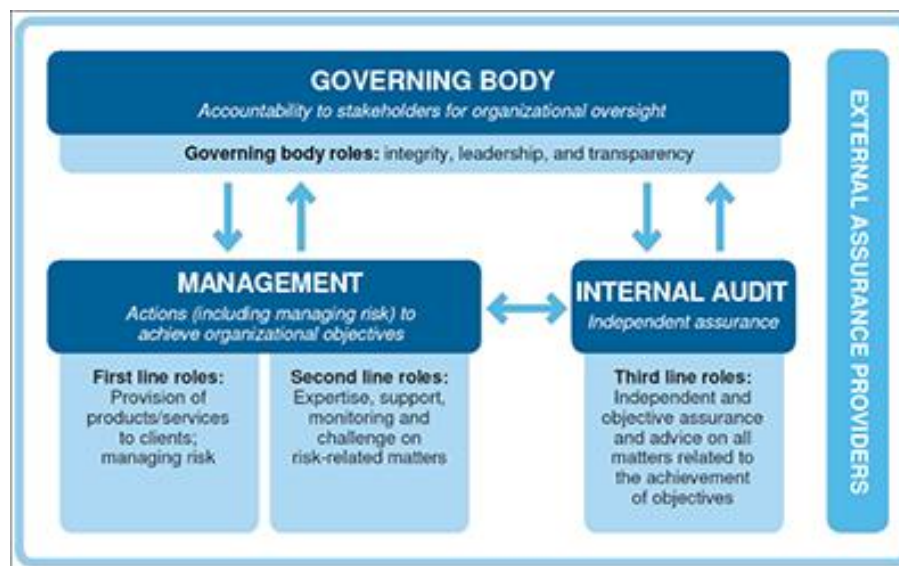
The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.



Background

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



All work for 2025/26 has been completed to Global Internal Audit Standards in the UK Public Sector and Topical Requirements subject to the Application Note for UK Public Sector Internal Audit.

The work of the team is guided by the Internal Audit Charter, last approved in April 2025 and brought before the Audit & Governance Committee again in April 2026. This report summarises the activity of the Internal Audit team for the 2025/26 year.

Internal Audit Annual Opinion 2025/26

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

On the balance of our 2025/26 audit work for Dorset Council, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

A schedule of audit work delivered can be found at Appendix A.

The Annual Opinion is made based on the following sources of information:

- Completed audits which evaluate risk exposures to strategic objectives (relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.)
- Observations from consultancy/advisory support.
- Follow up of previous audit activity, including agreed actions.
- Grant certification work.
- Significant/material risk where management has not accepted the need for mitigating action.
- Assurances from other providers, including third parties, regulator reports etc

In the year 2025/26, 42% of our reports were given reasonable and substantial assurance, with 5% given a limited assurance. The remaining 53% related to advisory, grant, follow up or investigation work and continuous audits of key controls. This is a reduction from last year's assurance opinion breakdown where 10% of work had a limited opinion.

Whilst the number of adverse opinions offered in 2024/25 was low, the overall annual opinion for last year was Limited. This opinion was driven by an investigation into Health and Safety Compliance and assurance work on Contract and Expenditure with the Council's Constitution and Scheme of Delegation which received a Limited opinion and assessed as High risk. In considering the opinion for 2025/26, I have reviewed the progress made

against actions identified from these reviews alongside audit work undertaken in 2025/26.

The Health and Safety investigation undertaken in 2024/25, led to an action plan containing 35 actions (6 P1 and 29 P2) that was issued in December 2025. The investigation also led to an additional review into Contract & Expenditure Compliance with the Council Constitution and Scheme of Delegation, completed as part of the 2024/25 plan, which identified 16 actions (2 P1 and 14 P2). Both reviews were followed up as part of the 2025/26 audit plan: the actions raised within the Constitution and Scheme of Delegation review were found to have been implemented, and of the 35 actions identified from the investigation, only 3 are outstanding (one Priority-1 and two Priority-2).

In considering my opinion for 25/26, I have also reviewed areas that have previously been assessed as High Risk and had outstanding actions. Business Continuity Planning was assessed as High Risk in 2024/25 and received a Limited assurance opinion, this audit was followed up as part of our work in 2025/26 and found that 14 out of 15 recommendations had been implemented (including the P1 action). The remaining P2 action has since been assessed as closed. The actions related to the 2022/23 audit on the Response to Climate Emergency which also identified a high corporate risk have also now been assessed as implemented within 2025/26.

During 2025/26, three limited assurance opinions have been reported to the Committee relating to Data Maturity, Governance of Financial Management in Schools and Family Hubs Programme Phase 1, our advisory review on ICT Assurance Mapping also identified a high risk and all actions from this review were assessed as implemented when followed up review in April 2026.

During the year we have continued our process of working with Directorate Management Teams to identify priority internal audit work through a process of risk assessments. This flexible, responsive approach ensures we are auditing the right areas at the right time. In addition, we have worked with the Policy, Insight and Performance Team to improve Dorset Council's approach to monitoring the completion of actions identified from audit engagements. The Council's culture and commitment to effective governance and management of risk and control will continue to be reviewed as part of future audit work to support the annual opinion. In addition, Dorset Council received an Outstanding Ofsted report following an Inspection of Children's Services in 2025 as well as a Good rating from CQC for Adult Social Care in 2026, both of which I have considered when

forming my opinion.

In summary a reasonable assurance is offered on the following basis:

- Progress made against actions identified from the H&S investigation
- Implementation of actions identified from high risk audits
- Increased organisational focus on addressing actions identified from internal audit
- For opinion-based work, 89% returned a reasonable or substantial opinion
- Only one review assessed as high risk, with actions implemented within year
- Positive assurances received from other providers (CQC and Ofsted)

Whilst a reasonable opinion has been offered, it should be noted that the actions we have assessed as implemented in year still require time to be fully embedded and therefore we can only give a limited view as to their overall effectiveness at this point in time. This is reflected in the assurance dial shown on the front page of this report which highlights that although progress has been made since 2024/25, there is still work to be undertaken to ensure a reasonable opinion can be sustained. The audit plan will continue to assess areas of risk throughout 2026/27 and control weaknesses identified may impact our opinion going forward.

Summary of Audit Work 2025/26

Internal audit coverage should be aligned to key corporate priorities and key corporate risks.



Audit Coverage by Corporate Risk

The table at Figure 1, captures our audit coverage mapped against the Authority's corporate risk themes and Figure 2 shows coverage against corporate priorities. We have then overlayed the audit assurance outcomes of those risk areas that we have reviewed. The tables demonstrate that we have provided some level of audit work across all the areas of corporate risk themes and corporate priorities. Further detail can be found using our audit management system, AuditBoard [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com).

Figure 1

Principal Risk	Coverage	Average Opinion
Commercial	Some	Reasonable
Data and Information Management	Some	Limited
Finance	Good	Reasonable
Legal	Good	Reasonable
Operations	Good	Reasonable
People	Adequate	Reasonable
Project / programme	Adequate	Reasonable
Property	Some	Non Opinion Audits
Reputation	Good	Reasonable
Security	Adequate	Reasonable
Technology	Some	Reasonable

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

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

Figure 2

Corporate Priority	Coverage	Average Opinion
CP1 - Driving economic prosperity	Good	Reasonable
CP2 - Protecting our natural environment, climate and ecology	Some	Reasonable
CP3 - Creating sustainable development and housing	Adequate	Reasonable
CP4 - Creating stronger, healthier communities	Good	Reasonable
CP5 - Becoming a more responsive, customer focused council	Good	Reasonable

Internal Audit Annual Opinion 2025/26

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

Our audit assurance framework and definitions can be found here:

www.swapaudit.co.uk/audit-framework-and-definitions



Summary of Audit Opinion

Table 1: Summary of Audit Opinions

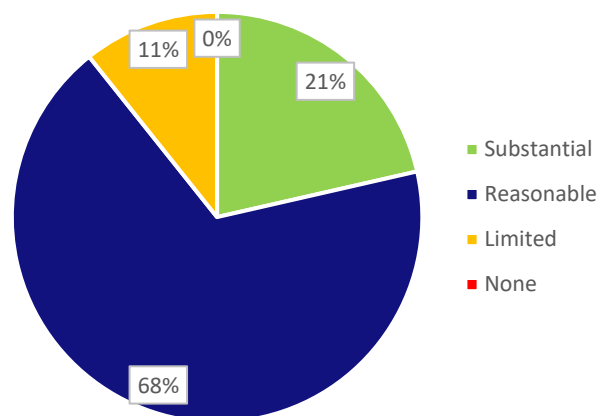


Table 2: Audit Work by Type

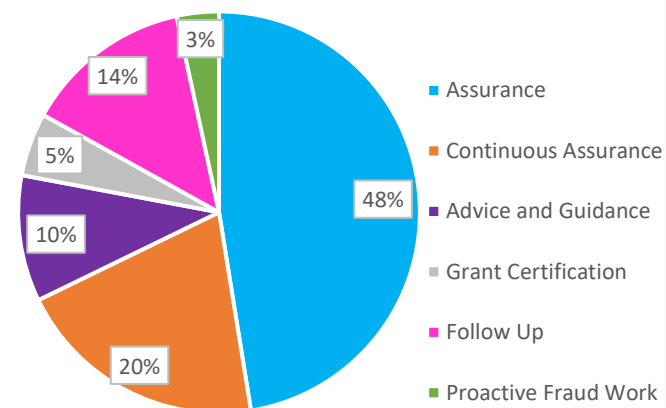


Table 1 above indicates the spread of assurance opinions across our work during the past year.

Table 2 indicates the audit work by type. Whilst assurance work is the main focus of internal audit, in an ever-changing landscape, internal audit has the knowledge and skills to be able to provide advisory work that supports the organisation in understanding these changes. In addition, the requirement for grant certification work, and the requirement for the Head of Internal Audit to provide certification of these grant awards has reduced compared to 2024/25.

We have also seen a reduction in investigations in 2025/26 compared to 2024/25, however SWAP continues to support Dorset’s counter fraud arrangements by undertaking proactive counter fraud work.

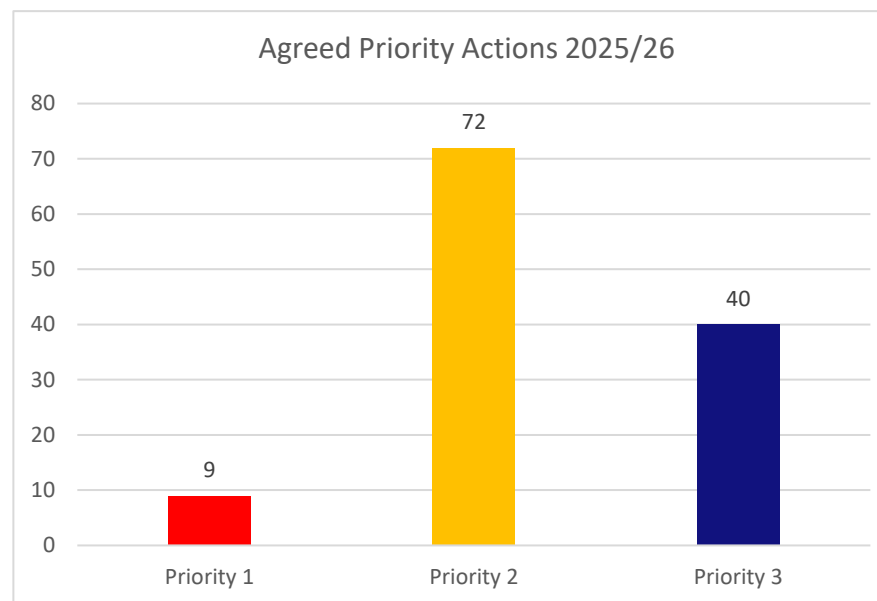
Summary of Audit Work 2025/26

SWAP Performance - Summary of Audit Actions by Priority

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action



Priority Actions



The above chart shows the number of actions that have been identified and agreed with management throughout the course of our audit work. The following page provides an update on the number of actions that are currently open from both current and preceding years.

Summary of Audit Work 2025/26

Action Tracking

Global Internal Audit Standards (15.2) - Confirming the Implementation of Recommendations or Action Plans states that:

“Internal auditors must confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, which includes:

- **Inquiring about progress on the implementation,**
- **Performing follow-up assessments using a risk-based approach,**
- **Updating the status of management’s actions in a tracking system.**

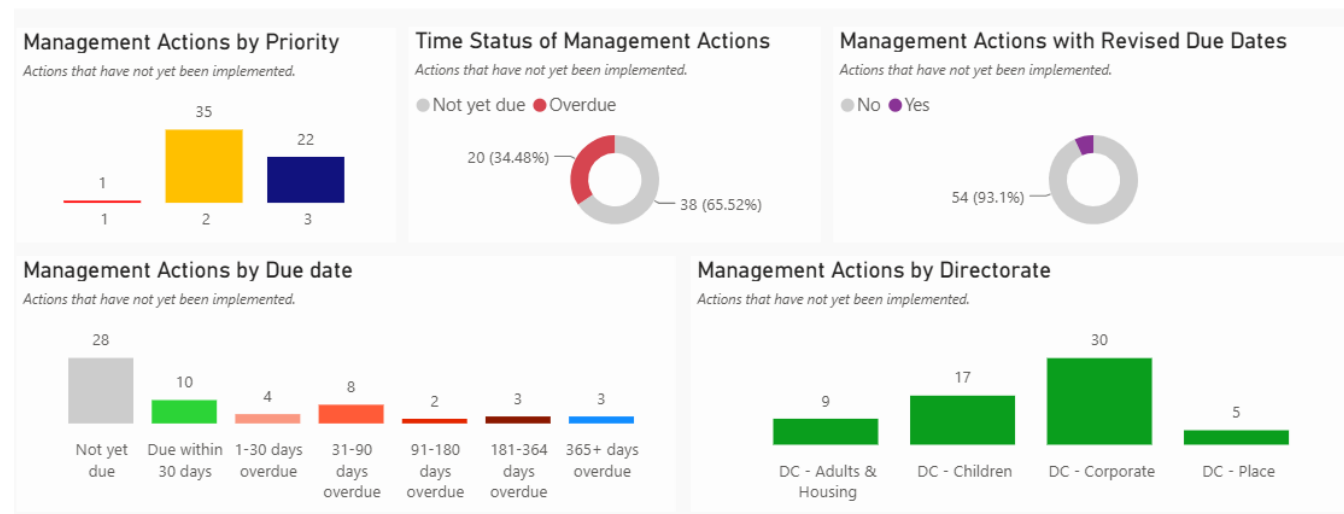


Action Tracking

Dorset Council has recently strengthened its approach to audit action tracking as part of a wider move towards a more risk-based and officer-led assurance model.

From November 2025, responsibility for monitoring and reporting audit actions transitioned to officers within the Policy, Insight and Performance (PIP) Team, with a focus on aligning audit outcomes to Principal Risks and organisational objectives. This enables the Audit & Governance Committee to gain clearer insight into residual risk, progress against actions, and areas requiring further assurance. The PIP Team hold regular meetings with Corporate Business Partners to monitor action progress, with updates captured via a standard proforma and uploaded to AuditBoard. SWAP officers are informed of the update, and submitted evidence is reviewed to determine whether actions can be closed or require further follow-up. The following graphs show the current status of actions within the AuditBoard system, which can be accessed via this link: [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com)

Status of actions as at 19 June 2026



Summary of Audit Work 2025/26

Action Tracking

Global Internal Audit Standards (15.2) - Confirming the Implementation of Recommendations or Action Plans states that:

“Internal auditors must confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, which includes:

- **Inquiring about progress on the implementation,**
- **Performing follow-up assessments using a risk-based approach,**
- **Updating the status of management’s actions in a tracking system.**



Action Tracking - Continued

The graphs shown on the previous page reflect the position as at 19 June 2026. Last year’s annual opinion report only included Priority 1 and Priority 2 actions, and showed a total of 9 actions overdue. Whilst the charts above show an increase in overdue actions (increasing from 9 to 20), this also includes 10 Priority 3 actions that would not have been included in last year’s review.

Last year we reported a total of 57 open actions that were Priority 1 or Priority 2, this has reduced to a total of 36 as at 19 June 2026.

To support the oversight and implementation of actions, an Audit Centre has been established on the Council’s intranet, providing access to the Audit Register and Audit Actions Register, which reflect live information from AuditBoard and improve transparency of action status across the organisation.

Summary of Audit Work 2025/26

Counter Fraud Arrangements

CIPFA's practical guidance for Audit Committees in Local Authorities 2022

Core function: "Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption."



Counter Fraud Arrangements

Counter Fraud Team

As part of the SWAP partnership Dorset Council has access to SWAP's dedicated Counter Fraud team who can support and lead on investigations and undertake proactive counter fraud work. Furthermore, the team also provide regular fraud bulletins to our partners on the latest intelligence on fraud targets.

CIFAS Data Matching

SWAP has paid an annual subscription of £18,098 for 2025/26 to enable Dorset Council to be part of CIFAS. This data matching service will help the Council to both detect and prevent fraud. SWAP is working with both CIFAS and the Council to facilitate data matching work in the following areas:

- Potential new contractors – all company directors are being searched for potential new contracts.
- Insurance – all liability cases are being searched.
- Adult Service Users – social workers can request a search where a direct payment is planned and this can include Powers of Attorney and Finance Agents. Whilst the provision of care cannot be refused the Council can keep a closer watch on cases if a fraud has previously been committed.
- Adults Homelessness – applications are being searched, and this can include facial matching where identity documents are searched to see if they have previously been used within a fraud.
- Adults Housing Register - applications are being searched and this can include facial matching.
- Licensing – applications for taxi licenses are being searched and this can include facial matching.
- All new permanent staff are being searched and if a match is returned this is shared with the hiring manager for a risk assessment to be undertaken.
- All new agency staff are being searched and if a match is returned this is shared with the hiring manager for a risk assessment to be undertaken.
- Senior Officers (Executive Directors, Monitoring Officer and Chief Executive) are searched annually.
- Shared Lives Carers – all existing carers are searched annually with all new applications also searched

Plan Performance 2025/26

Standard 12.2 – Performance Measurement outlines that the Chief Audit Executive must develop objectives to evaluate the internal audit function's performance.

SWAP will continually review the performance measurement methodology with Senior Management and the Audit and Governance Committee to be able to assess progress towards achieving the functions objectives and to promote continuous improvement of the internal audit function.



SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The respective outturn performance results for Dorset Council for the 2025/26 year are as follows:

Audit Delivery	2023/24	2024/25	2025/26
Assurance reviews	23	22	26
Follow Ups	6	3	8
Grant Certification	8	10	3
Advisory	6	5	5
Proactive Fraud Work	1	0	2
Continuous Audit	17	12	12
ICT Audits (Assurance and Advisory)	1	3	3
Investigations	0	6	0
Total	62	62	59

A total of 59 reviews have been delivered as part of the 2025/26 audit plan. This year has also seen support provided by SWAP staff to develop the action tracking process being used internally which will provide greater oversight and accountability for ensuring actions identified within internal audits are delivered.

Audits are mapped to Dorset Council's risk themes as well as corporate priorities, these are monitored on a regular basis to ensure we have adequate coverage within our audit plan to deliver an annual opinion.

Plan Performance 2025/26

For 2025-26 Internal audit is responsible for conducting its work in accordance with Global Internal Audit Standards and all other guidance recognised by the UK Public Sector's Relevant Internal Audit Standards Setters.

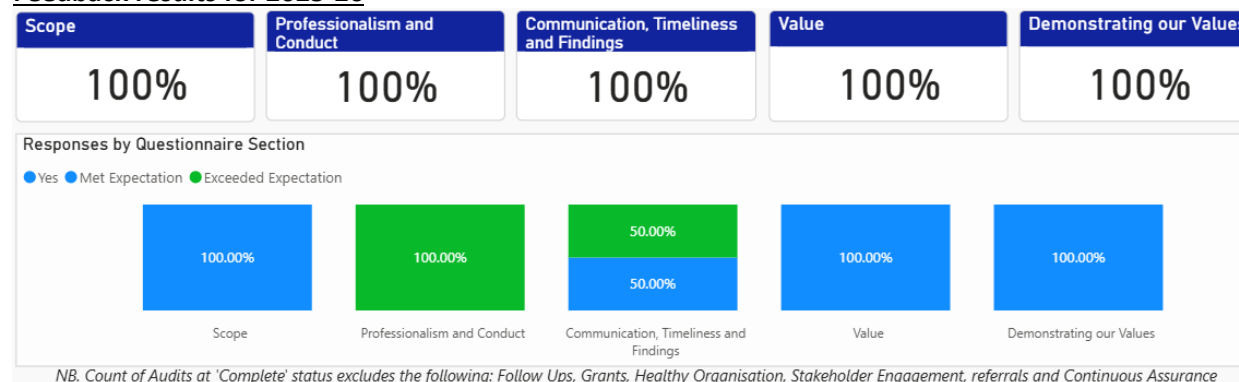


SWAP Performance continued

Client Feedback

After each audit engagement a feedback questionnaire is issued for the officers to provide feedback on the service they have received. The survey focuses on 5 key theme areas, summarised below. Whilst feedback is positive, it is acknowledged that responses are less than 10% for all surveys issued and work will be undertaken in 2026/27 to further encourage responses from Council staff.

Feedback results for 2025-26



Compliance to the Public Sector Internal Audit Standards

In 2025/26 SWAP work was completed to comply with the Global Internal Audit Standards plus the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government. The Internal Audit service for Dorset Council is provided by SWAP Internal Audit Services. Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in January 2025 and confirmed that we are in conformance to the then in place Public Sector Internal Auditing Standards (PSIAS).

For 2025-26 Internal audit is responsible for conducting its work in accordance with Global Internal Audit Standards and all other guidance recognised by the UK Public Sector's Relevant Internal Audit Standards Setters.



SWAP Performance continued

Members of the Committee have been provided with the full EQA report. Standard 8.3 of the Global Internal Audit Standards requires Heads of Internal Audit to develop, implement and maintain a Quality Assurance and Improvement Programme (QA&IP) that covers all aspects of the internal audit function. The programme must include both internal and external assessments (Standards 8.4 and 12.1 respectively). This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have produced our QA&IP and included additional improvements and developments identified internally that we want to make, as aligned to SWAP's Business Plan.

The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions.

Benchmarking, Surveys and Data Analytics

During the year as part of our audit work, we have looked to provide additional information on top of our standard audit report. This might be benchmarking across the SWAP partnership or the wider reach of the Chief Internal Auditors Network. It could also take the form of undertaking surveys across appropriate internal groups to further evidence and enhance our work and using the SWAP's Data Analytics team to undertake analysis and enhance the way in which this is presented to the Council.

In 2025/26, we undertook benchmarking to support our review on Subject Access Requests and incorporated a survey on Data Maturity into our audit work and provided management with a detailed analysis on the findings.

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium	Risk
					Action			
					1	2	3	
Completed Work								
Assurance	Children's Services Contracts & Homes Monitoring	Final	Reasonable	1	0	0	1	Low
Proactive fraud work	Anti Tax Evasion	Final	Substantial	1	0	1	0	Low
Assurance	Moving from Self-Funding to Council Funding	Final	Reasonable	4	0	3	1	Medium
Assurance	Quality Assurance Process for Care Providers	Final	Reasonable	3	0	1	2	Low
Assurance	Voluntary Redundancy (VR) - Governance Audit	Final	Substantial	1	0	0	1	Low
Assurance	Safer Recruitment and Keeping Children Safe in Education	Final	Reasonable	4	0	1	3	Medium
Assurance	Governance of Financial Management in Schools	Final	Limited	5	0	4	1	Medium
Assurance	Extended Role of the Virtual School and MOU	Final	Substantial	1	0	0	1	Low
ICT - Assurance	ICT Microsoft Purview	Final	Reasonable	6	0	2	4	Medium
Assurance	Disclosure and Barring Service	Final	Reasonable	4	0	0	4	Low
Assurance	Home to School Transport Appeals	Final	Reasonable	2	0	0	2	Low
Assurance	Progress on Assets and Property Improvement Plan	Final	Substantial	0	0	0	0	Low
Assurance	Data Maturity	Final	Limited	10	0	10	0	Medium
Assurance	Elective Home Education	Final	Reasonable	6	0	2	4	Low

Summary of Internal Audit Work 2025/26

Appendix A

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
Assurance	Application of Fixed Penalty Notices in School Absence	Final	Reasonable	3	0	0	3	Low
Assurance	Family Hubs Programme Phase 1	Final	Limited	2	0	2	0	Medium
Assurance	Maintained Schools Financial Management - Schools Testing	Final	Reasonable	2	0	2	0	Low
ICT	ICT Change Management	Final	Reasonable	4	0	3	1	Medium
Assurance	Subject Access Requests	Final	Reasonable	4	0	2	2	Medium
Assurance	Approved Mental Health Practitioners - New Operating Model	Final	Reasonable	5	0	1	4	Low
Assurance	Brokerage Service	Final	Reasonable	5	0	2	3	Low
Assurance	Highways Maintenance Block funding	Final	Reasonable	2	0	2	0	Low
Advisory								
Advisory	Our Future Council Review Two	Final	Advisory	1	-	-	1	Low
Advisory	Benchmarking of Council Structures	Final	Advisory	-	-	-	-	N/A
Proactive fraud work	Cifas 2025/26	Final	Advisory	-	-	-	-	N/A
ICT - Advisory	ICT Assurance Mapping	Final	Advisory	3	2	1	0	High
Advisory	Investigation (Building Compliance) Action Plan	Final	Advisory	35	6	29	0	N/A

Summary of Internal Audit Work 2025/26

Appendix A

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
Advisory	Our Future Council - Governance Framework	Final	Advisory	-	-	-	-	N/A
Advisory	Early Years Additional Funding	Final	Advisory	-	-	-	-	N/A
Advisory	Better Care Fund - Joint Commissioning Arrangements	Final	Advisory	3	1	1	1	N/A
Grant Certification								
Grant Certification	Home Upgrade Grant (HUG) Phase 2 - Grant Certification	Final	Certified	-	-	-	-	N/A
Grant Certification	Childcare Expansion Capital Grant Certification (No 31/6960)	Final	Certified	-	-	-	-	N/A
Grant Certification	DLEP Growth Hub Grant Certification 2025-26	Final	Certified	-	-	-	-	N/A
Continuous Assurance								
Regular reviews are undertaken throughout the year on key control systems with a final year end opinion offered on the overall effectiveness of controls.								
Operational	Accounts Payable 2025-26 January to June (July 2025)	Final	Continuous Assurance	0	0	0	0	Low
Operational	Accounts Payable 2025-26 July to December (January 2026)	Final	Continuous Assurance	1	0	1	0	Low
Assurance	Continuous Key Controls Accounts Payable 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Operational	Accounts Receivable 2025-26 January to June (July 2025)	Final	Continuous Assurance	0	0	0	0	Low
Operational	Accounts Receivable 2025-26 July to December (January 2026)	Final	Continuous Assurance	0	0	0	0	Low
Assurance	Continuous Key Controls Accounts Receivable 2025-26 Annual Assurance	Final	Substantial	-	-	-	-	Low
Operational	Revenues and Benefits 2025-26 November to April (May 2025)	Final	Continuous Assurance	0	0	0	0	Low

Summary of Internal Audit Work 2025/26

Appendix A

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
Operational	Revenues and Benefits 2025-26 May to October (November 2025)	Final	Continuous Assurance	1	0	1	0	Low
Assurance	Continuous Key Controls Revenues and Benefits 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Operational	Treasury Management 2025-26 January to June (July 2025)	Final	Continuous Assurance	1	0	0	1	Low
Operational	Treasury Management 2025-26 July to December (January 2026)	Final	Continuous Assurance	0	0	0	0	Low
Assurance	Continuous Key Controls Treasury Management 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Operational	Payroll 2025-26 November to April (May 2025)	Final	Continuous Assurance	0	0	0	0	Low
Operational	Payroll 2025-26 May to October (November 2025)	Final	Continuous Assurance	1	0	1	0	Low
Assurance	Continuous Key Controls Payroll 2025-26 Annual Assurance	Final	Reasonable	-	-	-	-	Low
Operational	Main Accounting 2025-26 November to April (May 2025)	Final	Continuous Assurance	0	0	0	0	Low
Operational	Main Accounting 2025-26 May to October (November 2025)	Final	Continuous Assurance	0	0	0	0	Low
Assurance	Continuous Key Controls Main Accounting 2025-26 Annual Assurance	Final	Substantial	-	-	-	-	Low
Follow Up Audits								
The actions reported in this section are the number of actions that we had assessed as not completed prior to the issue of the report. Outstanding actions may have subsequently been addressed.								
Follow up	ICT Assurance Mapping Significant Risk Follow-up	Final	N/A	0	0	0	0	N/A

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
Follow up	First Follow Up of Investigation (Building Compliance) Action Plan	Final	N/A	25	3	22	0	N/A
Follow up	Second Follow Up of Investigation (Building Compliance) Action Plan	Final	N/A	3	1	2	0	N/A
Follow up	Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation Follow Up One	Final	N/A	5	1	4	0	N/A
Follow up	Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation Follow Up Two	Final	N/A	1	0	1	0	N/A
Follow up	Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation Follow Up Three	Final	N/A	0	0	0	0	N/A
Follow up	Effectiveness of BCP Follow Up	Final	N/A	1	0	1	0	N/A
Follow up	Response to Climate Emergency Follow Up 3	Final	N/A	0	0	0	0	N/A
Work in progress								
The outcomes of these audits will now be considered as part of the 2026/27 annual opinion.								
Assurance	Fleet Maintenance	Draft						
Assurance	Frontline Services Resource Management	In progress						

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Audit and Governance Committee

3 August 2026

Annual Fraud and Protected Disclosures (Whistleblowing) Report For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s):

Senior Leadership Team:

J Mair - Director, Assurance and Governance

Report author and job title:

Marc Eyre, Service Manager for Assurance

Email:

marc.eyre@dorsetcouncil.gov.uk

Statutory Authority:

Report status: Public Choose an item.

1. Executive summary

- 1.1 The Audit and Governance Committee receives an annual report on fraud and protected disclosures (often referred to as whistleblowing). This provides an update on the Councils approach to combatting the fraud risk, and a summary of cases reported in the preceding twelve months.
- 1.2 Appendix A contains the anti-fraud action plan, which was initially based on the findings of a maturity exercise last carried out in 2022 by SWAP Internal Audit, but has been updated to reflect further improvement actions identified.

2. Recommendation(s)

- 2.1 The Committee are asked to note the annual update on fraud and protected disclosure activity.

3. Reason for the recommendation(s)

- 3.1 To support the Council's zero tolerance to fraud and other financial crimes.

4. Summary of Anti-Fraud Initiatives

- 4.1 The Audit and Governance Committee approved revised policy frameworks at the August 2025 meeting for i) Counter Fraud and Financial Crime; and ii) Protected Disclosures (Whistleblowing). A minor change was made to the Protected Disclosure policy in May 2026 to reflect changing legislation (Employment Rights Act) that recognised sexual harassment in the workplace as a protected disclosure.
- 4.2 The Counter Fraud and Financial Crime policy was a refresh of the previous fraud and anti-money laundering frameworks and incorporated the requirements of the Economic Crime and Transparency Act 2023, alongside anti-tax evasion.
- 4.3 The action plan provides assurance that the Council is compliant with the act, but an assurance piece of work is necessary to determine the extent that it is relevant to each of the companies owned by the Council and provide assurance around compliance. This has been reflected within the fraud management action plan at Appendix A. The fraud risk assessment will need to be updated to reflect the outcomes of this review.
- 4.4 SWAP Internal Audit were engaged to carry out a review of the Council's anti-tax evasion arrangements which provided a "substantial" audit opinion, with a single recommendation to implement a proportionate training and awareness mechanism. This is currently in development.
- 4.5 An internal audit has been commissioned to look at how the Council utilises its anti-fraud tools such as CiFAS (Credit Industry Fraud Avoidance System) and the National Fraud Initiative. This work is scheduled for quarter three of 2026/27.
- 4.6 The e-learning module on whistleblowing has been enhanced, providing separate content for both officers and managers. Periodic communications to staff on whistleblowing helps raise awareness and promote the available training.

5. Reporting of Fraud and other Protected Disclosures – 2025/26

- 5.1 The Public Interest Disclosure Act 1988 protects any whistleblowing worker from reprisal or mistreatment from their employer after raising a concern, where that concern is in the public interest. The Council's Protected Disclosure (Whistleblowing) policy sets out the Council's response to this legislation, and applies to all council employees and other workers; including freelance staff; temporary and agency staff; trainers; volunteers; consultants; and contractors.

- 5.2 The purpose of the 'Protected Disclosure' policy extends beyond fraud to other perceived cases of malpractice, whether behavioural, procedural or in respect of health and safety failings. Whilst a protected disclosure relates purely to council workers, the spirit and procedures of the policy are also applied if contact is made by a contractor or a member of the public.
- 5.3 The table below sets out whistleblowing and fraud activity during 2025/2026, with seven cases reported in the twelve month period (April 25 to March 26), down from ten in the previous year.

Ref	Category (Alleged)	Reported by	Via	Summary	Status
2025/01	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of Public	Monitoring Officer	Alleged fraudulent claim of working hours	Upheld
2025/02	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Employee	Whistleblowing Hotline	Allegations relating to staff dismissal	Not Upheld
2025/03	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of Public	Monitoring Officer	Alleged unauthorised access to data	Upheld
2025/04	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of the Public	Whistleblowing Hotline	Alleged financial exploitation of service user by family member	Not Upheld
2025/05	Financial Irregularities	Employee	Whistleblowing Hotline	Allegation against contractor	Open
2025/06	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Withheld	Monitoring Officer	Allegation against senior officer	Not Upheld
2025/07	Polygamous worker	Third Party Organisation	Monitoring Officer	Alleged undeclared secondary employment	Upheld

- 5.4 Whilst any issues reported via the whistleblowing hotline or directly to either the Monitoring Officer or Section 151 Officer will be recorded centrally, other

issues that could constitute fraudulent activity (for instance those related to staff code of conduct) are investigated and reported separately via Human Resources. At this point in time, this report focuses on issues reported to the Monitoring Officer, the Section 151 Officer or via the whistleblowing hotline.

- 5.5 Similarly, whilst a number of contacts were received by members of the public via the whistleblowing hotline in relation to alleged fraudulent benefits or council tax claims, these were forwarded to the Revenues and Benefits Team for investigation and are not included in the table above. The following table provides a summary of whistleblowing activity and/or reported fraud across a number of financial years:

Financial Year	2025/26	2024/25	2023/24	2022/23	2021/22
Upheld	3 (43%)	1 (10%)	2 (14%)	1 (14%)	
Partially Upheld		2 (20%)	3 (21%)		1 (25%)
Not Upheld	3 (43%)	7 (70%)	9 (65%)	6 (86%)	3 (75%)
Ongoing	1 (14%)				
Total	7	10	14	7	4

6. **Alternative options considered**

- 6.1 None

7. **Legal considerations**

- 7.1 Identification of a need to ensure that Council owned companies are reviewed in the context of the Economic Crime and Corporate Transparency Act 2023.

8. **Financial implications**

- 8.1 Fraud presents a financial risk to the Council which needs to be managed to reduce risk down to an acceptable level.

9. **Natural environment, climate & ecology implications**

- 9.1 None

10. **Well-being and health implications**

- 10.1 None

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: Medium

Residual Risk: Medium

13. Equalities

13.1 None

14. Appendices

14.1 Appendix A – Fraud Action Plan

15. Background papers

15.1 None

16. Report sign-off

16.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance and Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Portfolio Holder(s).

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Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
1) Resources and Communication	1a) The organisation has internal audit and external audit planning aligned to fraud risks. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced	A	* SWAP Internal Audit planning and liaison with External Audit is aligned to fraud risks; * Fraud risks identified and embedded into risk management process, monitored by risk owners alongside other service risks				G
	1b) There is a programme of counter fraud work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts. There is an annual fraud plan which is agreed by Audit & Governance committee and reflects resources mapped to risks and arrangements for reporting outcomes.	G	* Policy framework for whistleblowing and counter fraud and financial crime; * Annual reporting to Audit and Governance Committee; * Action plan included with annual report, and updated to respond to the new offence of "failure to prevent fraud"; * Outcomes of whistleblowing and fraud investigations included in annual report, with separate investigation reports shared with Audit and Governance Committee as appropriate				G
Page 105	1c) The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	G	* Close working with SWAP's Internal Audit Counter Fraud Team; * CIFAS subscription via SWAP fee; * Sharing of NAFN fraud alerts with relevant services; * Services (such as licencing, revenues, trading standards) work closely with enforcement agencies; * Annual reporting to Audit and Governance Committee	Undertake a structured review of all Council-owned companies, and enable an assurance mechanism that they are meeting the requirements set out in the Economic Crime and Corporate Transparency Act	Legal/ Assurance	tbc	G
	1d) The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity	A	* Close working with SWAP's Internal Audit Counter Fraud Team; * CIFAS subscription via SWAP fee; * Sharing of NAFN fraud alerts with relevant services; * Services (such as licencing, revenues, trading standards) work closely with enforcement agencies; * Annual reporting to Audit and Governance Committee * Fraud risk assessment undertaken and embedded within service risk register				G
	1e) The organisation has access to a trained counter fraud resource.	G	* Access to a trained counter fraud resources through the SWAP Internal Audit Services Counter Fraud Team				G
Risk Management	2a) The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	G	* Fraud risk assessment undertaken and embedded within service risk register, including identification of service specific controls and improvement actions * The Council's Risk Management Strategy has considered fraud risk				G

Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
	2b) The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members. Horizon scanning is completed to look for future fraud and corruption risks.	G	* Fraud risk assessment undertaken and embedded within service risk register * Risk is reported quarterly to Audit and Governance Committee, with the risk register also informing the agenda of the scrutiny committees where appropriate * NAFN fraud alerts shared with relevant services				G
Policy Related	3a) The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: Codes of conduct including behaviour for counter fraud, anti-bribery, and corruption; Register of interests; Register of gifts and hospitality; and Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality, and business. This is checked independently.	A	* Codes of Conduct for Officers and Members, including declaration of interest and reference to fraud; * Councillor e-form for declarations of interest; * Roll out of declarations portal for employees; * Revision to Home and Hybrid working principles and associated communications re-inforced employee declarations of interest (June 25)				G
	3b) There are employee and member Code of Conducts in place, which include reference to fraud.	G	* Codes of Conduct for Officers and Members, including declaration of interest and reference to fraud;				G
	3c) The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.	G	* Policy framework for whistleblowing and counter fraud and financial crime;				G
	3d) There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance. There is a zero-tolerance approach.	G	* Policy framework for whistleblowing and counter fraud and financial crime; * Clear statement of zero tolerance to fraud				G
	3e) The organisation has an appropriate and approved money laundering policy available to stakeholders	G	* Policy framework for whistleblowing and counter fraud and financial crime, which incorporates money-laundering				G

Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
	3f) There is an independent and up-to-date whistleblowing policy which is monitored for take up and can show that suspicion	G	* Policy framework for whistleblowing and counter fraud and financial crime; * Reporting of whistleblowing numbers is included in the Annual Report				G
	3g) Counter fraud staff are consulted to fraudproof new policies, strategies, and initiatives across departments and this is reported upon to committee.	G	* Fraud related policy framework is reviewed and updated by Service Manager for Assurance; * Policy framework considered and approved via Audit and Governance Committee; * Policies are subject to clearance process, ensuring review with Monitoring Officer and S151				G
	3h) Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	G	* Policies are clear in that they apply to contractors and third parties, and can be accessed via the external website; * Legal Services have included reference to the policy in the terms and conditions of the contracts and reference to it is in the Procurement Document / Invitation to Tender; * There is a link to the policy on Selling to Dorset Council on the Dorset Council website; * Whistleblowing policy and supporting comms reinforces the safeguards contained in the Public Disclosure Act				G
Committee Related	4a) Audit Committees and Portfolio Lead roles in relation to fraud management are agreed and understood, including: Awareness and support counter fraud activity (including proactive and reactive) and receive training to support them; Receiving of regular reports on the work of those leading on fraud; Supporting counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	A	* An annual fraud and protected disclosure report is presented to Audit and Governance Committee; * The Chair of the Audit and Governance Committee is identified as the member anti-fraud champion; * Fraud and whistleblowing training is available via e-learning module, but is not mandatory.	Fraud training to be delivered to Audit & Governance Committee by SWAP Internal Audit	SWAP	Aug-26	A

Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
Culture & Awareness	5a) The organisation educates and trains employees regarding the importance of ethics and anti-fraud programs and senior management exhibit and encourage ethical behaviour.	A	* Fraud and whistleblowing training is available via e-learning module, but is not mandatory. It has been enhanced with separate modules for staff and managers; * Awareness training from periodic intranet communications	Develop training matrix to identify officer/councillor roles that are higher risk and should be subject to formal training	SM for Assurance	Sep-26	A
Page 108	5b) The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	G	* Whistleblowing and Fraud policy portfolio; * Code of conduct, including declarations of interest and reference to fraud; * Annual Governance Statement; * Annual reporting to Audit and Governance Committee on Fraud and Whistleblowing; * Financial Procedural Rules; * Contract Procedural Rules; * Guidance on the intranet, supported by periodic promotion * Response to SWAP irregularities review				G
	5c) Relevant staff and members are up to date with latest anti-fraud practice and trends in fraud.	A	* SWAP and NAFN Fraud Alerts shared as appropriate to relevant services; * Member of CiFAS				G
	5d) The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness; this is endorsed by the communications/ media team	A	* Upheld cases considered for promotion on a case by case basis				G
	5e) The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the relevant checks.	A	* CiFAS data matching for agency staff / new employees; * CiFAS checking annually for SLT				G

Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
	5f) *New* The local authority fosters a culture of integrity and anti-fraud commitment from senior leadership		* Fraud has recently been incorporated within the remit of the Strategic Information Governance Board, with escalation to SLT via the Chair/Monitoring Officer; * Internal controls around fraud are identified within the Annual Governance Statement and supporting Local Code of Corporate Governance	Develop terms of reference for a multi-Directorate Governance Group, to be led by the Monitoring Officer	Director for Assurance & Governance; SM for Assurance	Aug-26	A
Reporting, Investigating & Monitoring	6a) Statistics are kept and reported which cover all areas of activity and outcomes. Are number of investigations and outcomes recorded.	G	* Annual fraud and whistleblowing report is submitted to Audit and Governance Committee, including stats; * Database maintained by the Service Manager of Assurance				G
Page 109	6b) All allegations of fraud and corruption are risk assessed.	G	* The concept of risk assessing allegations was considered together with the Portfolio lead and Audit and Governance Committee (pre May 24 elections and change of administration). It was determined as being counterproductive to demonstrating a zero tolerance to fraud. * Service Manager for Assurance and the Monitoring Officer review the seriousness of the allegations before calibrating the appropriate resources, making sure the investigations teams have the right expertise				G
	6c) Prevention measures and projects are undertaken using data analytics where possible and sharing of data across internal departments and between other enforcement agencies.	A	* The Council takes part in the bi-annual NFI data matching exercise; * Dorset Council are members of CiFAS, via the SWAP internal audit partnership. This facilitates data sharing in relation to Fraud across a number of service areas.				G
	6d) The organisation provides an anonymous way to report suspected violations of the ethics and anti-fraud programs.	A	* Fraud/Whistleblowing hotline and email in place and monitored by the Service Manager for Assurance; * Monitoring by Data Protection Officer and Complaints Manager (in absence of Service Manager)				G
	6e) Fraud incidents are promptly and thoroughly investigated by a designated and qualified resource, with unfettered access to premises and documents for the purposes of counter fraud investigation.	A	* Investigation process clearly set out in the policy framework; * Commissioning of SWAP specialist fraud team for higher risk investigations				G

Appendix A - Fraud Action Plan

Theme	Requirement Assessment	2022 SWAP RAG		Further Actions/Status	By Whom	By When	SMA Assess- ment
	6f) There is a fraud and corruption response plan which covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress	G	* Covered within policy framework				G

Audit and Governance Committee

3 August 2026

Draft Annual Governance Statement and Local Code of Corporate Governance 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:

J Mair, Director for Assurance and Governance

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

Statutory Authority: n/a

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

1. Executive summary

1.1. The Accounts and Audit (England) Regulations 2015 require a body such as the Council to “approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.” The attached draft Annual Governance Statement (AGS) covers financial year 2025-26 and sets out key features of the governance framework in place in the Authority and provides a review of its effectiveness. It has been prepared in line with the recommendations published by CIPFA and SOLACE, which were revised in 2016. An addendum to this guidance was issued in May 2025 and comes into effect for this years’ statement, and puts greater emphasis on:

- Demonstrating how the governance arrangements support the delivery of Council objectives;
- Assessing the mechanisms in place to demonstrate good governance, and identify any areas for improvement;

- Providing sources of assurance across the three lines of defence: line management (first line); risk and compliance functions (second line); and internal audit (third line);
 - Looking ahead to the risks and challenges that the authority is facing.
- 1.2. Much of the evidence supporting the AGS is found within our Local Code of Corporate Governance which is included as an appendix. This has been enhanced to reflect the requirements of the Addendum to provide an assessment of the effectiveness of each control/process detailed, utilising the scoring criteria used by SWAP Internal Audit for consistency. The AGS also sights the very high risks noted within the Council's risk register.
- 1.3. Under the regulations, the accounts are not approved by the Council (or the Committee to which the responsibility is delegated) until after the external audit has been carried out. At this stage this draft allows members an early view and an ability to inform the content. Final adoption of the AGS will take place alongside the accounts, signed off by both the Council Leader and Chief Executive. As the AGS must reflect any significant issues that arise prior to its final approval, if necessary, subsequent amendments will be made to the draft document to reflect them and reported to this Committee.
2. **Recommendation(s)**
- 2.1 The Committee is asked to consider and comment on the draft Annual Governance Statement (AGS) for 2025-26.
3. **Reason for the recommendation(s)**
- 3.1 Approval and publication of an Annual Governance Statement by the Council is a statutory requirement and provides evidence that Dorset Council maintains high standards of governance and addresses significant shortcomings and risks.
4. **Alternative options considered**
- 4.1 N/A
5. **Legal considerations**
- 5.1 Publication of an annual governance statement is a statutory requirement.
6. **Financial implications**
- 6.1 There are no budget requirements arising directly from this report. The overall financial position of the Council is one of the significant issues covered in the

AGS. Addressing other issues identified in the compliance assessment or the AGS may have budgetary implications, which will be considered in the relevant action plans.

7. Natural environment, climate & ecology implications

7.1 None

8. Well-being and health implications

8.1 None

9. Other implications

9.1 None

10. Risk implications

10.1 The AGS references risks on the Council's corporate risk register which have been assessed as being "Very High"

11. Equalities

11.1 Considering equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report

12. Appendices

12.1 A) Draft Annual Governance Statement 2025/26

B) Local Code of Corporate Governance

13. Background papers

13.1 None

14. Report sign-off

14.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance and Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Portfolio Holder(s)

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Draft Annual Governance Statement 2025/26

(Supported by 2025/26 Local Code of Corporate Governance)

SECTION ONE - Introduction

Governance in public services is closely watched and sometimes criticised. The Accounts and Audit Regulations (2015) require the Council to review its internal control system's effectiveness at least once a year. This review is reported in this Annual Governance Statement, which is included with the Statement of Accounts. Dorset Council must ensure its operations comply with laws and standards, safeguard public money, and use resources efficiently and effectively. This document outlines the processes and procedures that help the council function effectively and continuously improve.

The Chartered Institute of Public Finance and the Society of Local Authority Chief Executives (CIPFA/SOLACE) published "Delivering Good Governance" in 2016. This document measures Dorset Council's arrangements against seven core principles of good governance. An addendum was released in May 2025 which set updated expectations for Annual Governance Statements preparation from 2025/26 onwards. In particular to:

- i) Provide a meaningful, high-level, outcome-focused account of governance arrangements;
- ii) Summarise how governance effectiveness was monitored and evaluated during the year;
- iii) Report planned changes for the coming period; and
- iv) Include a forward look and identification of significant governance issues, with an action plan

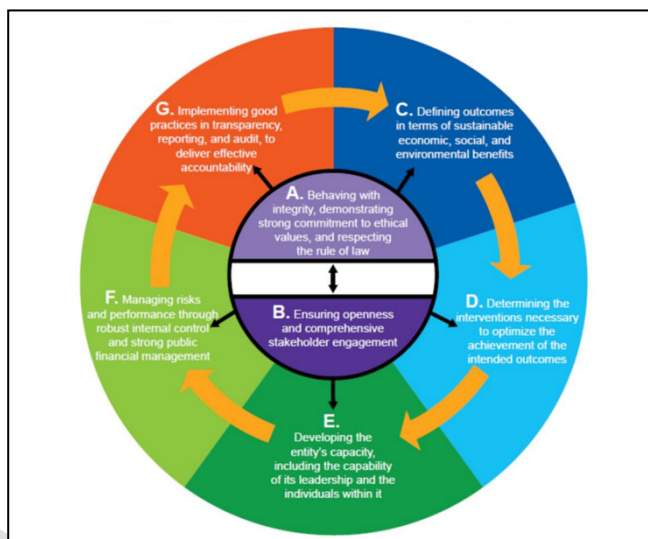
Our Annual Governance Statement is supported by a Local Code of Corporate Governance. The purpose of this document is to translate the national CIPFA/SOLACE Delivering Good Governance in Local Government Framework into a localised, council-specific document. It sets out the principles, behaviours and governance arrangements that we commit to follow in demonstrating that we act with integrity, transparency and accountability. Dorset Council has refreshed its Local Code ahead of the preparation of this statement, to provide a mechanism for self-assessment of the various controls, processes and practices in place, to support the requirements of the May 2025 addendum (adopting a ranking of i) no assurance; ii) limited assurance; iii) reasonable assurance; and iv) substantial assurance, aligned to our audit partners ranking). Each principle within the Annual Governance Statement provides a summary of this assurance ranking, highlighting levels aligned to each item of evidence supporting the frameworks sub principle:

	None	Limited	Reasonable	Substantial
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Sub Principle	Number of evidence, aligned to assurance ranking
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Both the Local Code and this Statement have been aligned to the seven CIPFA/SOLACE principles:

- A. Behaving with integrity
- B. Openness and stakeholder engagement
- C. Defining sustainable outcomes
- D. Determining interventions
- E. Developing capacity
- F. Managing risk, internal control and financial management
- G. Transparency, reporting and accountability



Each Principle has nominated officer leads, and each item of supporting evidence has a nominated owner. These have each made judgements on the level of assurance allocated, and supported the development of the improvement action plan. Both the Statement and the Local Code are presented to the Statutory Officers Group (Chief Executive; Section 151 and Monitoring Officer for challenge), and to other officers and councillors, including Senior Leadership Team, as part of report clearance processes. It is shared with internal audit providers, SWAP Internal Audit, for additional challenge. The Statement is then subject to scrutiny by the Council's Audit and Governance Committee. Alongside this self assessment, the statement also references internal and external audit opinion, alongside cross reference with the Council's risk register.

The Council's governance arrangements are continuously reviewed and updated, including through internal audit, inspections, learning processes, and corporate planning cycles. This is summarised within this statement, but with detail set out in the Local Code.

The conclusion of this document sets out an assurance opinion based on this self assessment, and guided by the internal audit opinion, and signed by the Leader of the Council and the Chief Executive. The Statement will be updated where necessary to reflect any significant governance matters that may arise or be identified in between the closure of the financial year, and the signing and publication of this statement alongside the annual accounts.

SECTION TWO - Summary of Assurance for 2025/26

The self assessment set out in the Local Code demonstrates that the Council's overall governance environment remains generally sound, with many areas demonstrating Reasonable or Substantial levels of assurance. Strengths include:

- a robust Council Plan and performance framework
- strong risk management arrangements following the 2025 review and implementation of the risk appetite
- active scrutiny arrangements
- effective strategic asset management (supported by a Substantial assurance audit)
- strong external inspection outcomes, including Ofsted "Outstanding" for Children's Services (2025) and CQC "Good" for Adults Social Care (2026)

A number of actions have been taken since the publication of last years statement to enhance the Council's governance arrangements. Principally, an extensive action plan was developed in response to the investigations commissioned by the Council into Health and Safety Compliance, and assurance work on Contract and Expenditure Compliance with the Council's Constitution and Scheme of Delegation. This has improved governance around spend and contract management, and actions are now largely complete, and subject to a positive internal audit review. The outcomes of this work have also influenced an improved scrutiny. As an example, owners of internal audit actions are now required to attend Audit and Governance Committee to report on mitigation and progress, where timescales are missed, to provide assurance that risk exposures are not left unmanaged. The new Chief Executive initiated a range of staff discussions ("Conversations with Catherine") to ensure that the voices of staff are heard, and supporting direction of strategic work and transformation.

There are however areas that are identified as requiring improvement or ongoing work, which includes:

- elements of our information governance framework (including our response to our data maturity audit)
- mandatory training compliance
- improving alignment of our whistleblowing and fraud arrangements to the requirements set out in the Economic Crime and Corporate Transparency Act
- embedding the revised Risk Appetite across all services
- updated policy and governance frameworks following organisational change
- additional governance around the recruitment of interim staff

These are set out more clearly under the assessment for each of the Principles in the next pages.

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Principle A — Behaving with integrity, demonstrating commitment to ethical values and respecting the law

	None	Limited	Reasonable	Substantial
1) Arrangements to ensure ethical conduct for both members and officers, including codes of conduct, management of conflicts of interest, declarations of gift and hospitality, training and evaluation.		3	11	
2) Arrangements covering the ethical behaviour of external service providers			2	
3) Arrangements to support whistleblowing		1	5	
4) How compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful			6	
5) How breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted			2	
6) How all those in governance roles and senior managers demonstrate their leadership of an ethical culture.			2	

Summary

The Council operates within a strong ethical and constitutional environment supported by:

- Dorset Council Constitution, Scheme of Delegation, Contract Procedure Rules
- Member and Officer Codes of Conduct
- Whistleblowing Policy and Counter Fraud arrangements
- Corporate Complaints frameworks
- Caldicott Guardian and statutory officer roles

Detail

The Council's Constitution sets out how the Council operates. It states what matters are reserved for decision by the whole Council, the responsibilities of the Cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels, committees, and partners. Decision making powers not reserved for councillors are delegated to chief officers (Chief Officer is defined as: Chief Executive; Executive Director; Director or Corporate Director). Each chief officer has a scheme of nomination setting out the powers that others may exercise on their behalf.

The constitution establishes the roles and responsibilities for members of the executive (the Cabinet), Overview, Scrutiny, Audit and Governance and Regulatory Committees, together with officer functions. It includes details of delegation arrangements, codes of conduct and protocols for member/officer relations. The Constitution is kept under review to ensure that it continues to be fit for purpose, with any proposed changes being considered by the Audit and Governance Committee.

It also contains procedural rules, standing orders and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer, and Chief Financial Officer (S151) are described together with their respective roles and contributions to provide for robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures.

During 2025/26 the Head of Paid Service is the Chief Executive and is responsible for all Council employees. The Executive Director for Corporate Development was the Council's Chief Financial Officer until August 2025, with the role now undertaken by the Director for Finance (previously known as Corporate Director for Finance and Commercial). The Chief Financial Officer is responsible for safeguarding the Council's financial position and ensuring value for money. The Director for Assurance (formerly known as Director for Legal and Democratic) is the Monitoring Officer and is responsible for ensuring legality and promoting exacting standards of conduct in public life. Under Section 18(2) of the Children Act 2004, Local Authorities in England have a duty to appoint a Director of Children's Services. Local Authorities in England are also required to appoint a Director of Adult Services. Alongside these officers, the Executive Director for Economy and Environment and the Executive Director for Housing, Communities and Prevention comprise the Council's senior leadership team, alongside the Assistant Chief Executive and Executive Director for Modernisation and Customer (currently filled by an interim officer, pending completion of a recruitment process). This new Senior Leadership Team took effect 17 April, following approval by Full Council. The purpose of this revised structure is to bring services together around communities, make it easier to work across boundaries, strengthen accountability, and support prevention and financial sustainability. This design is purposeful and based on working together, not creating new silos.

Senior officer appointments are overseen by the Staffing Committee.

The Members' Code of Conduct advises an elected member (or co-opted member) what conduct is expected of them and whether their conduct constitutes a criminal offence. A Code of Conduct also exists for staff which sets out the standards of conduct expected of all council employees and prevents employees from being in a situation where they may be vulnerable to an accusation of favouritism or bias or other improper motives, whether this is real or perceived. Arrangements are in place for dealing with any Code of Conduct complaints made against councillors, including

review by independent persons who support determining the need for investigation and escalation to the Audit and Governance Committee to determine any sanctions. The process was reviewed by Audit and Governance Committee during 2024 and a revised process approved by Full Council in February 2025. Changes may be required during 2026/27 to reflect legislative change.

The Council operates under an Executive (Cabinet) model, which oversees the formulation of all major policies, strategies, and plans. The Cabinet also lead on the preparation of the Council's budget. The primary counterbalance to our Cabinet is through the two Overview Committees (People & Health and Place & Resources), the two Scrutiny Committees (People & Health and Place & Resources), and the Audit and Governance Committee. These Committees are in place to provide support and a robust level of challenge to the Executive.

We are committed to promoting equality of opportunity, valuing diversity, and eliminating discrimination. An Equality, Diversity and Inclusion Strategic Board oversees equality, diversity, and inclusion within our organisation and in our external work. It also supports the implementation of the council's Equality, Diversity, and Inclusion Strategy by prioritising activity within its action plan and monitoring progress. Elected member oversight is provided by a Cabinet Lead.

The final quarter of 2025/26 has seen work commence on a review of governance in relation to decision making groups, with the aim of providing consistency, removing duplication and ensuring that governance is clear, led by the Head of Strategy. This Group will evolve into a Governance Group, led by the Director of Assurance & Governance, that will challenge effectiveness of the Strategic Delivery Boards alongside having a responsibility for future development and review of both the Local Code of Corporate Governance and Annual Governance Statement processes.

Behaviours and cultural direction has been challenged via the commencement of the new Chief Executive, including reinforcing stronger budget controls and dialogue between budget holders and finance team. New design principles are being established moving forward, to enable delivery of Council priorities during a time of ongoing financial pressures and uncertainty:

- Co-design with communities;
- Shared approaches to prevention;
- Agency and skills to lead change; and
- Modern ways of working

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable assurance. The following areas are noted with limited assurance:

- Mandatory training compliance;
- Policy library and management of policies by owners;

- Improving alignment of our whistleblowing and fraud arrangements to the requirements set out in the Economic Crime and Corporate Transparency Act with appropriate targeted training.

Actions Taken in Response to 2024/25 Annual Governance Statement

- A new Counter Fraud and Financial Crime policy was developed and approved (replacing previous fraud and money laundering policy frameworks);
- Protected disclosure (whistleblowing) policy was updated and approved;
- An action plan was developed, with councillor oversight, to respond to the findings of the internal audit on Contract and Expenditure compliance with Council constitution and scheme of delegation and wider SWAP investigation. This is largely complete.

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
A1	Roll out the new financial section of the Officer Scheme of Delegation with guidance	1b (Reasonable)	Head of Legal Services
A2	Review of Contract Procedural Rules to reflect changes to the financial section of the Scheme of Delegation	1c (Reasonable)	Service Manager for Commercial and Procurement
A3	Review impacts of Mazur case recommendations on constitution, and professional support from legal services	1a (Reasonable)	Director of Legal & Democratic / Head of Legal Services
A4	Review Councillor Code of Conduct complaints policy to reflect legislative change	5b (Reasonable)	Head of Legal Services
A5	Refresh of Counter Fraud and Financial Crime policy to reflect legislative change	3b (Reasonable)	Service Manager for Assurance
A6	Develop training matrix for improved targeting of fraud and whistleblowing training	3c (Reasonable)	Service Manager for Assurance
A7	Evolve the Governance Design Group into a permanent Governance Group	1l (Reasonable)	Director for Legal and Democratic
A8	A structured induction and training program will be established for interim staff to promote corporate integration and oversight.	1n (Limited)	Head of People and Workforce
A9	Corporate policies and procedures for conflict of interest checks during the recruitment and management of interim staff will be enforced	1n (Limited)	Head of People and Workforce

Principle B — Ensuring openness and comprehensive stakeholder engagement

	None	Limited	Reasonable	Substantial
1) How the authority ensures that decisions are made in the public interest and the rationale for decisions is recorded			4	
2) How the authority achieves expected standards of openness and transparency, including a culture of internal challenge and self-assessment			6	
3) The arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform decision-making.			4	
4) The ways in which the authority communicates with the community and stakeholders			5	

Summary

The Council has strong arrangements for transparency and public engagement, including:

- committee meetings live-streamed on YouTube
- publicly available decisions, minutes and impact assessments
- open data publications, FOI and SAR compliance monitoring
- the Citizenspace consultation platform
- State of Dorset data reporting
- performance dashboards and regular scrutiny reviews

Detail

Committee meetings are open to the public, and agenda papers and minutes are transparently available on the internet. Meetings are streamed on Youtube and members of the public can attend virtually or in-person.

Minutes for the two Stakeholder committees, Care Dorset Holdings Ltd and Dorset Centre of Excellence, are available on the Council's website.

A customer strategy was approved by Place and Resources Overview Committee during 2025. This has been supported by the rollout of the Council's Customer Hub in January 2026.

Our Communications team provides a wide range of support for the whole council including using social media, internal communications, marketing and promotions

advice, media relations. A review and restructure of the communications function was completed in March 2026.

Public consultation plays a key part in the decision making process, across the full range of the Councils services, utilising the Citizens Space platform.

Annual updates will be provided to the State of Dorset report. A performance dashboard is available transparently for members of the public.

A complaints procedure and whistleblowing procedures are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual report analysing complaints received and their resolution is presented to the Scrutiny Committees. The Audit and Governance Committee has responsibility for overseeing the investigation of complaints against members.

The Local Government and Social Care Ombudsman's 2025/26 report noted that 82% of complaints escalated to them and investigated were upheld, compared to an average of 85% in similar authorities. In 11% of cases they found that the Council had provided a satisfactory remedy before the complaint reached the Ombudsman, compared to an average of 13% in similar authorities.

The Council has a Protected Disclosure (Whistleblowing) policy, which encourages employees and other concerned parties to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment.

A disclosure log is available on the Council's website, transparently including responses to Freedom of Information requests received.

Assurance across this principle is Reasonable.

Actions Taken in Response to 2024/25 Annual Governance Statement

None Identified

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
B1	Annual update to the State of Dorset report (first published by February 2026). With additional ad hoc data briefings aligned to release of national data sets.	3d (Reasonable)	Head of Strategy
B2	Review and update Subject Access Request policy, replicating good practice within the corporate SARs team to wider Dorset Council responses	2e and 2f (Reasonable)	Service Manager of Assurance

B3	Seek to improve Directorate's performance in providing satisfactory remedies to complainants ahead of LGSCO escalation	4d (Reasonable)	Service Manager for Assurance
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Principle C — Defining outcomes in terms of sustainable economic, social and environmental benefits

	None	Limited	Reasonable	Substantial
1) How the authority establishes its vision, target outcomes, and associated long-term plans to deliver sustainable outcomes.		1	5	1
2) Its decision-making arrangements and how it ensures consideration and demonstration of value for money and best value.			3	
3) Arrangements to achieve fair access to services			1	
4) The authority's strategic approach to commissioning across the entity and its partnerships and collaborations.			1	

Summary

The Council has clear long-term plans and defined strategic outcomes through:

- the Council Plan 2024–2029
- strategic frameworks (Climate & Ecological Emergency Strategy, EDI Strategy)
- performance dashboards and the Strategic Performance Framework
- commissioning and commercial strategies
- Statement of Accounts and Budget processes

Detail

Our council plan reflects the administrations priorities:

- Provide affordable and high-quality housing
- Grow our economy
- Communities for all
- Respond to the climate and nature crisis

Delivery of this plan is supported by service plans, team plans and individual performance development reviews. These all include targets and, where appropriate, service standards against which service quality and improvement can be judged.

A performance management framework is operated to underpin and monitor the council plan. Progress is monitored via public performance dashboards, quarterly reviews by the two Scrutiny Committees and twice yearly progress reports to Cabinet, alongside monitoring by the Senior Leadership Team. Those indicators

showing as Red are noted in Section Five. The risk management framework is closely aligned to performance monitoring, with all risks linked back to a council priority. Those risks noted as Very High are shown in Section Four.

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable or Substantial assurance. The following area is noted with limited assurance:

- The Data and Business Intelligence Strategy is outdated and will be replaced by a new Data and Technology Strategy.

Actions Taken in Response to 2024/25 Annual Governance Statement

None Identified

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
C1	Complete whole council service planning exercise	1b (Reasonable)	Head of Strategy
C2	Replace the outdated Data and Business Intelligence strategy with a new Data and Technology Strategy	1d (Limited)	Head of ICT Operations
C3	Publish end year progress report in July 2026 as part of the twice a year update to Cabinet on Council Plan delivery/ progress	1g (Reasonable)	Head of Strategy

Principle D — Determining the interventions necessary to achieve intended outcomes

	None	Limited	Reasonable	Substantial
1) The arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to the vision and objectives.			12	1
2) How budgets and resource strategies align to the delivery of objectives.			5	1
3) How the authority uses self-assessment and continuous improvement to achieve value for money			10	2
4) The authority's performance management arrangements to ensure continued alignment to its objectives.			2	
5) Arrangements for the achievement of social value in commissioning, procurement and contracting.		0	1	

Summary

The Council demonstrates structured planning and delivery through:

- service planning aligned to the Council Plan
- the Our Future Council programme
- the Design Authority (change governance)
- robust use of impact assessments (EIA, DPIA)
- transformation plan 2025–2029
- scrutiny arrangements

Detail

A value for money framework sets out how to develop value for money service benchmarking across the council. For Local Government bodies, the National Audit Office issued its guidance for auditors in April 2020. The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria. Improving economy, efficiency and effectiveness, Financial Sustainability & Governance.

Each Cabinet member has been assigned as a specific Cabinet Lead with roles and responsibility for different themes:

- i) Regeneration, Economic Growth and Strategic Assets;
- ii) Resources and Finance;
- iii) Transformation, Customer and Workforce;
- iv) Children, Families and Education;
- v) Adult Social Care and Health;
- vi) Housing and Homelessness;
- vii) Place Services (including highways, waste and transport);
- viii) Public Health, Prevention and Communities; and
- ix) Planning

The Leader of the Council is the portfolio holder for Climate, Performance, communications and Safeguarding.

Our Future Council is a whole council transformation plan, that aims to change the way we work, to not only make sure our services are financially sustainable for the future, but are also achieving the best outcomes for our residents, families, communities and businesses across the county. Our Future Council reports to a Design Authority, chaired by the Chief Executive and with cross-Directorate representation. Looking forward, a proposal is being worked through to establish a number of strategic boards that will replace existing corporate working group structures. This allows for a one council approach to governance of the programme and wider decision making. A cross party members transformation steering group monitors strategic organisational performance and holds officers accountable for delivery. Public facing scrutiny is delivered via Audit and Governance Committee and both Scrutiny Committees.

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable or Substantial assurance. The following areas are noted with limited assurance:

- Link commissioning and wider use of resources into a more transparent process that challenges whether best value is being secured

Actions Taken in Response to 2024/25 Annual Governance Statement

- Embedded a new strategic performance framework and reporting tool

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
D1	Whole council service planning exercise to be undertaken for 26/27 - 2029 to align with the multiyear financial settlement	1c (Reasonable)	Head of Strategy
D2	Review outstanding actions in ICT change management audit (ITIL v4 training actions are currently being tolerated)	1i (Reasonable)	Head of ICT Operations
D3	Community Conversations throughout 2026	1m (Reasonable)	Head of Strategic Comms and Engagement
D4	Ensure that wider transformation work reflects and embeds the cultural and behavioural improvements identified in the Investigation Action Plan	3c (Reasonable)	Senior Leadership Team

Principle E — Developing capacity and capability of leadership and individuals

	None	Limited	Reasonable	Substantial
1) Member and officer protocols and clarity over roles and responsibilities, including schemes of delegation.			3	
2) Application of the Code of Practice on Good Governance for Local Authority Statutory Officers.			2	
3) How financial management roles align with: – CIPFA Financial Management Code (FM Code) – CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)			2	
4) The arrangements in place for the discharge of the monitoring officer function.	0		1	
5) The arrangements in place for the discharge of the head of paid service function.		0	1	
6) Induction and development programmes to meet the needs of members and senior officers in relation to their strategic roles			4	
7) Workforce planning and organisational development.	0		10	
8) Arrangements for learning and development, and health and wellbeing.		1	5	

Summary

The Council continues to invest in leadership and workforce capability through:

- statutory officer governance
- member and staff induction programmes
- Management Academy and Leadership Forum
- People and Culture Strategy
- My Roadmap appraisal system for officers
- comprehensive HR policy framework
- internal audit of establishment control (Reasonable assurance)

Detail

The Council has developed a People and Culture strategy.

Appraisal and review processes (including “My Roadmap”) are the general means of identifying the training needs of members and officers. Appropriate training is made available to staff to ensure that individuals are able to undertake their present role

effectively and that they have the opportunity to develop to meet their and the Council's needs.

The Employee Wellbeing team provide support to all employees and can offer links to a wide range of external sources of support for employees to look after both their physical and mental wellbeing.

An extensive member induction programme is put in place after the Council elections to ensure that newly elected members can quickly make an effective contribution to the work of the authority. This is supported by regular member briefing sessions to ensure that members are kept up to date on key issues.

Our values act as guiding principles, defining what we believe is important in the ways we work together. Our values are Respect, Together, Accountability, Openness and Curiosity.

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable or Substantial assurance. The following areas are noted with limited assurance:

- Mandatory training compliance

Actions Taken in Response to 2024/25 Annual Governance Statement

- Launch of new Employee Assistance Programme providing employees with access to a broader wellbeing support offer;
- Manage the transfer of staff into the new operating model
- Develop officer register of interests portal

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
E1	Implement compliance regime for information governance mandatory training	8e (Limited)	Service Manager for Assurance
E2	Improve compliance levels of wider mandatory training	8e (Limited)	Head of People and Wellbeing

Principle F — Managing risks and performance through robust internal control and strong financial management

	None	Limited	Reasonable	Substantial
1) Risk management policy, strategy and arrangements for review.			3	2
2) How financial management arrangements align with the Financial Management Code.			9	3
3) Internal control arrangements including: – Cyber, AI and information security arrangements – information governance – asset management – procurement and contract management.		6	23	2
4) Assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance arrangements, and internal audit.			4	
5) Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit			2	
6) Arrangements for formal overview and scrutiny (as applicable)			2	
7) Facilitation of internal and external challenge.			5	
8) Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022).			2	
9) Counter fraud and anti-corruption developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).		1	4	
10) Governance, risk and control arrangements across companies, partnerships, collaborations and arm's length bodies.			2	

Summary

This principle shows a mix of **Substantial**, **Reasonable**, and **Limited** assurances. Strengths include:

- updated Risk Management Strategy
- new Risk Register and Dashboard
- Risk Appetite adoption

- treasury management
- robust main accounting, revenues and benefits, capital strategy support
- strong asset management with Substantial assurance via the Assets & Property Improvement Plan audit
- business continuity and emergency planning frameworks
- a broad suite of internal control policies and professional advice routes

Detail:

The Council's monetary management arrangements conform with the governance requirements of the CIPFA (Chartered Institute of Public Finance and Accountancy) "Statement on the Role of the Chief Financial Officer in Local Government" (2010) as set out in the "Application Note to Delivering Good Governance in Local Government: Framework". The Chief Financial Officer (a role performed by the Executive Director for Corporate Development) has statutory responsibility for the proper management of the Council's finances and is a key member of the senior leadership team. The Council's assurance arrangements conform with the governance requirements of the CIPFA "Statement on the Role of the Head of Internal Audit in Public Service Organisations" (2010).

Dorset Council continues to experience funding pressures through central government annual settlements, limited increases in its council tax and under funding from the current business rates distribution methodology.

Global issues present challenges and uncertainty around energy and fuel prices.

Risk Registers are maintained at a corporate (theme), service and project level to ensure that the authority is able to make risk informed decisions, with reporting to Audit and Governance and the two Scrutiny Committees. Internal audit is mapped to the risk themes set out in the register, with reporting highlighting a spread of audit opinion across these themes. Risk maturity continues to improve, with compliance rates high on risk register review, development of the risk appetite and councillor challenge embracing this risk appetite as part of scrutiny and challenge. Work will continue during the next financial year to further embed how the risk framework is utilised for decision making.

The Council is committed to achieving high standards of integrity and accountability. Our Counter Fraud and Financial Crime policy sets out our zero tolerance approach to such acts and records a clear commitment to deal with any cases robustly.

The Council's approach to information governance is led by a Strategic Information Governance Board, chaired by the Senior Information Risk Owner (the Director for Legal and Democratic). The work of the Board is supported by three working groups: i) Operational Information Governance Group; ii) Cyber Security Technical Group; and iii) an Organisational Compliance and Risk Learning Group. The Board works to

an action plan, based on the Information Commissioners Accountability Framework, and reported annually to the Audit and Governance Committee. This board structure is subject to change during 2026/27, as part of the review of strategic boards.

The Business Continuity Framework includes a Business Impact Analysis setting out the criticality of services, supported by service level action cards. An action plan has been developed to improve business continuity across the Council.

The Emergency Planning function sits within the Assurance Service and works in conjunction with Local Resilience Forum partners to plan, respond and learn from civil emergencies.

The previous two Annual Governance Statements reported that the Council identified potential non-compliance with contract procedure rules, Council's constitution and the scheme of delegation. SWAP Internal Audit was commissioned to conduct a thorough and independent investigation. The findings identified a number of weaknesses, and initiated an improvement action plan, which have been subject to regular reporting and oversight by the Audit and Governance Committee. Financial and contract control has been improved following these actions, but work remains outstanding to review Contract Review Procedures in the context of changes to the financial section of the Scheme of Delegation, and to deliver a number of more cultural and behavioural actions.

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable or Substantial assurance. The following areas are noted with limited assurance:

- Internal audit findings on data maturity, including information asset owner compliance
- Internal audit findings on cyber security assurance mapping
- Outstanding organisation-wide learning from SWAP investigations, focussed primarily on culture and behaviour
- Review and update of information governance policy framework
- Cyber training compliance (training below 90%; need for more capacity and proactive defence)
- Fraud and whistleblowing action plan and training matrix, including extending to embrace arms length companies
- Contract management culture and earlier procurement involvement

Actions Taken in Response to 2024/25 Annual Governance Statement

- Responded to remaining actions on the risk management action plan, including development of risk appetite statement;
- Completed outstanding priority actions following business continuity audit

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
F1	Propose internal audit on risk function in 2027 to guide further work.	1a (Reasonable)	Head of Strategy
F2	Embedding risk appetite statement, supported by the development of additional metrics that provide clearer insight and operational guidance aligned to the high-level appetite and the mechanism for informing internal audit planning	1b (Reasonable)	Head of Strategy
F3	Revision of the risk matrix / scoring, including how reflected within committee reports	1c / 1d (Substantial / Reasonable)	Head of Strategy
F4	Develop revised risk learning module	1e (Reasonable)	Head of Strategy
F5	Respond to outstanding actions from health and safety compliance report, which are largely associated with culture and behaviour	3e (Limited)	Director of Public Health and Prevention
F6	Replace Data and BI strategy with Data and Technology strategy	3f (Limited)	Head of ICT Operations
F7	Respond to actions identified within the Data Maturity audit, including Information Assets	3g (Limited)	Head of ICT Operations; Service Manager for Archives and Records
F8	Analysis of systems and processes across information compliance and complaints teams	3h (Reasonable)	Service Manager for Assurance
F9	Enable compliance regime for non compliance of information governance training mechanisms (data protection / cyber)	3o / 3p (Reasonable / Limited)	Service Manager for Assurance
F10	Build capacity into the new IT structure post restructure to give more time for proactive work to strengthen defences, monitor network activity and build organisational awareness and vigilance to potential cyber attack	3q (Reasonable)	Head of ICT Operations
F11	Respond to actions identified during ICT Assurance mapping audit, and following assessment work undertaken by Public Digital	3s (Limited)	Head of ICT Operations
F12	Develop a risk overview as part of the end of year performance report to Cabinet.	3k (Limited)	Head of Strategy

F13	Develop a whole authority exercise on business continuity	3a (Reasonable)	Service Manager for Assurance
F14	Consider development of Service Assurance statements, in line with Head of Audit Annual Governance Statement Effectiveness Checklist	3c (Reasonable)	Service Manager for Assurance
F15	Strengthening assurance reporting across cyber risk, audit activity, compliance requirements and improvement actions	3n (Limited)	Executive Director for Modernisation & Customer
F16	Embedding Responsible AI governance and continuing to evaluate AI opportunities, risks and learning through a controlled test-and-learn approach	3n (Limited)	Executive Director for Modernisation & Customer

Principle G — Implementing good practices in transparency, reporting and audit to deliver accountability

	None	Limited	Reasonable	Substantial
1) Arrangements for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action.		1	13	3
2) Approach to welcoming external challenge and implementing recommendations.			3	2
3) How learning and improvement are actioned.			3	
4) How transparency and accountability are maintained across collaborations and arm's length bodies, such as trading companies and joint ventures.			2	
5) Accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice.	0		6	

Summary

Assurance is generally **Reasonable**, supported by:

- regular internal audit reporting and follow-up
- Audit and Governance Committee oversight
- external audit engagement and action planning
- performance reporting to Cabinet and Scrutiny
- organisational learning arrangements
- strong outcomes from Ofsted and other regulators
- transparency via FOI, publication schemes and open meetings

Detail

Our operational internal audit work has been carried out under contract by SWAP Internal Audit Services. This includes an annual independent and objective opinion to the Authority on its risk management, governance and control environment. Their work aligns with the aims and objectives of the council, considering key risks, operations, and changes. The plan is flexible in adapting audit plans to manage changing risks, priorities, and challenges. A dashboard is available for senior managers and councillors. Audits that have provided a “limited” assurance ranking have been referenced within the Local Code of Corporate Governance. Where actions remain outstanding, this is reflected within the improvement action plans that support this statement.

An advisory ICT assurance mapping audit report issued in January 2026 notes a High operational risk. Management has commenced immediate action to address the report. Public Digital were engaged to support this review work during March 2026.

We aim to provide an open environment whereby employees and those working for the Council can raise issues that they believe to be in the public interest. Our Protected Disclosure (Whistleblowing) Policy provides protection from any harassment, victimisation, or other detriment to any whistleblowing on serious wrongdoing.

External Audit are required to audit the annual financial statements and undertake a Value for Money Audit as per the code of practice of on Local Authority Accounting.

The interim 2024/25 external auditors report identified three significant weaknesses:

- Not satisfied that there are proper arrangements re value for money work for securing economy, efficiency and effectiveness in the use of resources;
- Arrangements for Dedicated Schools Grant (ongoing from 23/24);
- Governance and securing economy, efficiency and effectiveness in the use of resources due to the significant findings identified through the Building Health and Safety investigations (ongoing from 23/24). It was noted that police investigations are ongoing.
- Due to the backstop legislation, areas on which auditors are unable to conclude are the closing balance of property, plant and equipment, the net defined benefit liability and reserve balances.

The following risks have been identified:

- Management override of controls (significant)
- Valuation of land and buildings (significant)
- Valuation of the defined benefit pension liability (Significant)
- Implementation of IFRS 16

Dorset Council learns from external inspection and peer reviews, with improvement action plans.

The self-assessment undertaken in the Local Code of Corporate Governance notes most evidence as providing Reasonable or Substantial assurance. The following areas are noted with limited assurance:

- Annual Audit opinion report;
- Audit findings on temporary accommodation;
- Audit findings on Children with Disability service (CWAD)

Improvements addressed since 2024/25 Annual Governance Statement

None Identified

Key improvements identified for 2026/27:

Ref	Summary	Local Code Link	By Whom
G1	Respond to outstanding actions for internal audit on temporary accommodation	1l (Limited)	Action Owners
G2	Respond to remaining actions on internal audits	1h; 1i; 1j; 1m; 1n (All Reasonable or Substantial)	Action Owners
G3	Respond to actions identified in the external auditors reports	1q (Reasonable)	Director for Resources
G4	Deliver on most recent Ofsted inspection recommendations	2b (Substantial)	Executive Director for Childrens
G5	Deliver on most recent CQC inspection recommendations	2c (Substantial)	Director for Adult Social Services
G6	Corporate Peer Challenge	2a (Reasonable)	Chief Executive

SECTION FOUR – Corporate Risks Identified as “Very High” Moving in to 2026/27

Risk : As a result of a successful cyber attack Dorset Council IT systems may be compromised leading to a loss of service or data.

What are we doing : The council is working to build on E5 baseline capabilities to increase the organisations ability to detect and respond to threats within our infrastructure. In tandem with Our Future Council the staffing requirements to fulfil the organisations cyber security capabilities are being reviewed as part of the wider ICT structure. Additional capacity would significantly improve our ability to use the cyber monitoring data to identify actions to strengthen our technical defences. Third party monitoring would also be funded by these additional funds to provide a managed service providing out of hours monitoring service and response to cyber threats.

Risk : As a result of health service reform, Dorset Council may incur additional unprovisioned responsibilities, leading to increased resourcing and budgetary pressures, unmet health needs and potential harm to individuals.

What are we doing : Drafting of lobbying for elected members to influence how funding arrangements are to be met in the future. Maintaining dialogue on developments with the integrated care system. Publication of the new ICB structure is expected and will support greater clarity on roles, responsibilities, and continuity of existing agreements.

SECTION FIVE – Performance Indicators noting “Red” Performance

The following measures are reported as red to Place & Resources Scrutiny Committee in July 2026 and People & Wellbeing Scrutiny Committee in April 2026:

Type	Indicator
Council Plan	Reduce our emissions from staff travelling for business by at least 25% by 2029
Council Plan	Ensure our services are resilient to climate change by having climate adaptation plans for each service by March 2026
Council Plan	Improve 300 miles of the Rights of Way network, making it more accessible to connect people's access to nature by 2030 (30 miles in last 10 years)
People & Workforce	Average number of working days lost to sickness per FTE (12-month rolling data) – DC Overall
People & Workforce	Average number of working days lost to long term sickness per FTE (12-month rolling data) – DC Overall
People & Workforce	Percentage of staff who have been DBS checked in job roles which require DBS clearance – DC Overall
People & Workforce	Number of staff RIDDOR reportable accidents – incl. schools (DC Overall)
ICT Operations	Percentage of employees that are current with their mandatory cyber security training
Waste & Operations	Number of waste collections missed per 100,000 collections of household waste
Housing	Net number of single households in B&B at the end of the month (taking in to account households newly placed in B&B and those moving out into alternative accommodation)
Housing	Number of pregnant women / families in B&B exceeding 6 week stay
Children's Services	Number of Independent Special School places taken up by children and young people
Children's Services	Percentage of 16 and 17 year olds not in education, employment or training
Children's Services	Percentage of Education, Health & Care Plans (EHCPs) issued within 20 weeks
Children's Services	Rate of Early Help open cases at month end
Children's Services	Rate of permanent exclusions from schools (all schools) (%)
Public Health & Prevention	Percentage of deaths registered within 5 calendar days

SECTION SIX - Significant Governance Issues Identified for 2026/27

Based on the 2025/26 assurance map, the following are considered significant themes requiring continued governance attention, as set out in the improvement action plans contained within each theme:

1. **Information Governance capability, compliance and maturity**, including:
 - Data Maturity audit recommendations
 - Information Asset Register completeness and ownership
 - Information Governance policy framework refresh
 - Data Protection Impact Assessment compliance
 - NHS Data Security and Protection Toolkit compliance
2. **Cyber security resilience**, with actions to:
 - increase training compliance
 - build additional cyber capacity post-ICT restructure
 - complete internal audit actions related to governance and assurance
3. **Mandatory training compliance** across the organisation, with targeted intervention and clearer consequence frameworks.
4. **Whistleblowing and counter-fraud improvements**, specifically:
 - aligning policies to the Economic Crime and Corporate Transparency Act
 - updating the fraud action plan
 - risk based training
 - embedding fraud arrangements across arm's-length companies
5. **Embedding the new Risk Appetite Statement** across all services and enhancing reporting insights.
6. **Culture and behaviour improvements** being coordinated through the Organisational Learning Group.
7. **Updating key corporate strategies**, including the new Data and Technology Strategy and the internal policy library tool.

SECTION SEVEN – Conclusions and Signatories

This Annual Governance Statement (AGS) describes how the Council has complied with its Local Code of Corporate Governance during 2025/26 and identifies areas for further development. It draws on assurance from management, internal audit (SWAP), external inspection, the Monitoring Officer, the Section 151 Officer, and the Council's risk, performance and scrutiny arrangements. The Council will however look to improve these assurance mechanisms further during 2026/27 by establishing a Governance Group, that will include a role in developing and challenging the Annual Governance Statement and supporting Local Code, alongside effectiveness of our Strategic Delivery Boards.

The Council is satisfied that this Annual Governance Statement demonstrates that generally adequate internal control, governance and risk management is in place.

The 2023/24 and 2024/25 statements referenced the investigation commissioned by the Council into Health and Safety Compliance, and assurance work on Contract and Expenditure Compliance with the Council's Constitution and Scheme of Delegation which indicated that a series of corporate procurement and finance controls were either circumvented or absent which led to significant governance and control failings. As a result, both the Statement and annual internal audit opinions offered a limited assurance. A significant amount of work has been undertaken to respond to these findings, which are broadly complete and have been subject to positive review by SWAP Internal Audit. It is however recognised that some cultural change takes time to embed.

The Council strives for continual improvement and this statement identifies a number of areas where the Council can improve further. The improvement action plan forms part of this statement, and identified improvements will be monitored through the year by senior officers (via the proposed Governance Group) and Audit and Governance Committee. In addition, and recognising the financial challenges that local authorities face, the Council will move to new operating principles, to support delivery of our Council priorities.

Noting the positive assurance from the majority of items noted in the Local Code of Corporate Governance, and the internal auditors annual opinion, the overall assessment within this Annual Governance Statement is consider "reasonable", whilst recognising that further improvement measures have been identified as we strive to become a modern sustainable unitary council.

Signed: Councillor Nick Ireland, Leader of the Council

Signed: Catherine Howe, Chief Executive

Level of Assurance
None
Limited
Reasonable
Substantial

Principles	Level of Assurance			
	None	Limited	Reasonable	Substantial
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
1) Arrangements to ensure ethical conduct for both members and officers, including codes of conduct, management of conflicts of interest, declarations of gift and hospitality, training and evaluation.		3	11	
2) Arrangements covering the ethical behaviour of external service providers			2	
3) Arrangements to support whistleblowing		1	5	
4) How compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful			6	
5) How breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted			2	
6) How all those in governance roles and senior managers demonstrate their leadership of an ethical culture.			2	
Principle B: Ensuring openness and comprehensive stakeholder engagement				
1) How the authority ensures that decisions are made in the public interest and the rationale for decisions is recorded			4	
2) How the authority achieves expected standards of openness and transparency, including a culture of internal challenge and self-assessment			6	
3) The arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform decision-making.			4	
4) The ways in which the authority communicates with the community and stakeholders			5	
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits				
1) How the authority establishes its vision, target outcomes, and associated long-term plans to deliver sustainable outcomes.		1	5	1
2) Its decision-making arrangements and how it ensures consideration and demonstration of value for money and best value.			3	
3) Arrangements to achieve fair access to services			1	
4) The authority's strategic approach to commissioning across the entity and its partnerships and collaborations.			1	
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
1) The arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to the vision and objectives.			12	1
2) How budgets and resource strategies align to the delivery of objectives.			5	1
3) How the authority uses self-assessment and continuous improvement to achieve value for money			10	2
4) The authority's performance management arrangements to ensure continued alignment to its objectives.			2	
5) Arrangements for the achievement of social value in commissioning, procurement and contracting.			1	

Principles	Level of Assurance			
	None	Limited	Reasonable	Substantial
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
1) Member and officer protocols and clarity over roles and responsibilities, including schemes of delegation.			3	
2) Application of the Code of Practice on Good Governance for Local Authority Statutory Officers.			2	
3) How financial management roles align with: – CIPFA Financial Management Code (FM Code) – CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)			2	
4) The arrangements in place for the discharge of the monitoring officer function.			1	
5) The arrangements in place for the discharge of the head of paid service function.			1	
6) Induction and development programmes to meet the needs of members and senior officers in relation to their strategic roles			4	
7) Workforce planning and organisational development.			10	
8) Arrangements for learning and development, and health and wellbeing.		1	5	
Principle F: Managing risks and performance through robust internal control and strong public financial management				
1) Risk management policy, strategy and arrangements for review.			3	2
2) How financial management arrangements align with the Financial Management Code.			9	3
3) Internal control arrangements including: – cyber, AI and information security arrangements – information governance – asset management – procurement and contract management.		6	23	2
4) Assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance arrangements, and internal audit.			4	
5) Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit			2	
6) Arrangements for formal overview and scrutiny (as applicable)			2	
7) Facilitation of internal and external challenge.			5	
8) Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022).			2	
9) Counter fraud and anti-corruption developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).		1	4	
10) Governance, risk and control arrangements across companies, partnerships, collaborations and arm's length bodies.			2	
Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability				
1) Arrangements for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action.		1	13	3
2) Approach to welcoming external challenge and implementing recommendations.			3	2
3) How learning and improvement are actioned.			3	
4) How transparency and accountability are maintained across collaborations and arm's length bodies, such as trading companies and joint ventures.			2	

Principles	Level of Assurance			
	None	Limited	Reasonable	Substantial
5) Accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice.			6	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law									
Lead(s): Jonathan Mair, Director - Governance & Assurance; Grace Evans, Head of Legal Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
1) Arrangements to ensure ethical conduct for both members and officers, including codes of conduct, management of conflicts of interest, declarations of gift and hospitality, training and evaluation.	a	Dorset Council constitution	Link	Director - Assurance & Governance	Reasonable	Self Assessment	Review following the Mazur case about conduct of litigation, review of shareholder governance and changes to the financial section of the Scheme of Delegation	tbc	Head of Legal Services
	b	Scheme of Delegation	Link	Director - Assurance & Governance	Reasonable	Self Assessment	Roll out the new financial section of the Officer Scheme of Delegation with guidance	tbc	Head of Legal Services
	c	Contract Procedural Rules	Link	Director - Assurance & Governance	Reasonable	Self Assessment	Review needed following changes to financial section of Scheme of Delegation	tbc	Service Manager for Commercial & Procurement
	d	Officer Code of Conduct, incl register of interests, gifts and hospitality; Portal goes live 14/7/26	Link	Director - Assurance & Governance	Reasonable	Self Assessment			
	e	Member Code of Conduct, incl register of interests, gifts and hospitality	Link	Director - Assurance & Governance	Reasonable	Self Assessment			
	f	Protocol for officer and member relations	Link	Director - Assurance & Governance	Reasonable	Self Assessment			
	g	Complaints Policies (Corporate; Childrens Social Care; Adults Social Care)	Link	Service Manager for Assurance	Reasonable	Internal Audit on Childrens Services Complaints (Limited) but actions completed. Self Assessment			
	h	Caldicott Guardian	Link	Director of Adult Social Services	Reasonable	Self Assessment			
	i	Equality, Diversity and Inclusion Strategic Board and Strategy / action plan	Link	Head of Strategic Comms and Engagement	Reasonable	Self Assessment			
	J	Mandatory training regime, incl data protection and equalities		Head of People and Workforce	Limited	Self Assessment	Enable policing process for cyber/data protection training	Sep-26	Service Manager for Assurance

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law									
Lead(s): Jonathan Mair, Director - Governance & Assurance; Grace Evans, Head of Legal Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
Page 149	k	Policy Library	Link	Head of Strategy	Limited	Self Assessment	An internal policy library tool will be developed to enable all policy and strategy owners to self-serve, manage, and update their review cycles. This will support forward planning and ensure consistent publication standards and processes across the public-facing policy library.	tbc	
	l	Governance working group		Head of Strategy	Reasonable	Self Assessment	Develop this group into a permanent governance group	Sep-26	Director - Assurance and Governance
	m	Corporate Social Responsibility Standards	Link	Service Manager for Commercial & Procurement	Reasonable	Self Assessment			
	n	Processes for recruitment of interim staff		Head of People and Workforce	Limited	Internal audit on Irregularities investigation	A structured induction and training program will be established for interim staff to promote corporate integration and oversight. Corporate policies and procedures for conflict of interest checks during the recruitment and management of interim staff will be enforced. Individuals	tbc	Head of People and Workforce
2) Arrangements covering the ethical behaviour of external service providers	a	Commercial Strategy, incl Corporate Social Responsibility Standards)	Link	Service Manager for Commercial & Procurement	Reasonable	Self Assessment			
	b	Protected Disclosure (Whistleblowing Policy)	Link	Service Manager for Assurance	Reasonable	Self Assessment			
3) Arrangements to support whistleblowing	a	Protected Disclosure (Whistleblowing Policy) and supporting reporting process	Link	Service Manager for Assurance	Reasonable	Self Assessment			
	b	Counter Fraud and Financial Crime Policy	Link	Service Manager for Assurance	Reasonable	Self Assessment	Review to ensure fully captures obligations of Economic Crime and Corporate Transparency Act	Oct-26	Service Manager for Assurance

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law									
Lead(s): Jonathan Mair, Director - Governance & Assurance; Grace Evans, Head of Legal Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
	c	Fraud and Whistleblowing learning modules		Service Manager for Assurance	Reasonable	Self Assessment - Limited internal audit opinion but actions completed	Develop training matrix, for better targetting of training	Oct-26	Service Manager for Assurance
	d	Fraud action plan		Service Manager for Assurance	Limited	Self Assessment	Update action plan to better articulate requirements of Economic Crime and Corporate Transparency Act	Oct-26	Service Manager for Assurance
	e	Annual fraud and whistleblowing report to Audit and Governance Committee	Link	Service Manager for Assurance	Reasonable	Self Assessment			
	f	Internal audit on whistleblowing procedures		Service Manager for Assurance	Reasonable	Internal Audit			
4) How compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful	a	Statutory Monitoring Officer (and Deputy)		Director - Governance & Assurance	Reasonable	Self Assessment			
	b	Chief Financial Officer (and Deputy)		Director - Resources	Reasonable	Self Assessment			
	c	Committee report clearance process, incl statutory officer review		Service Manager for Elections and Democratic Services	Reasonable	Self Assessment			
	d	Professional support from Legal Services		Head of Legal Services	Reasonable	Self Assessment	Review Legal Services resource v service resource following the Mazur case about conduct of litigation and review and clarify system arrangements for instruction of external legal	Sep-26	Head of Legal Services
	e	Professional support from finance business partners and teams		Director - Resources	Reasonable	Self Assessment			
	f	Senior Leadership Team		Chief Executive	Reasonable	Self Assessment			
5) How breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted	a	"Our Values" Behaviours Framework	Link	Head of People and Workforce	Reasonable	Self Assessment			
	b	Councillor Code of Conduct complaints processes	Link	Director for Legal and Democratic	Reasonable	Self Assessment	Respond to anticipated change in legislation.	tbc	Head of Legal Services

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Lead(s): Jonathan Mair, Director - Governance & Assurance; Grace Evans, Head of Legal Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
6) How all those in governance roles and senior managers demonstrate their leadership of an ethical culture.	a	Scrutiny and challenge by Audit and Governance Committee	Link	Director - Governance & Assurance	Reasonable	Self Assessment			
	b	1-2-1 / appraisals		Head of People and Workforce	Reasonable	Self Assessment			

Principle B: Ensuring openness and comprehensive stakeholder engagement									
Lead(s): Jen Lewis, Head of Strategic Comms and Engagement; Jacqui Andrews, Service Manager for Electoral and Democratic Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
1) How the authority ensures that decisions are made in the public interest and the rationale for decisions is recorded	a	Committee Meetings open to the public, streamed and accessible on Youtube (unless exempt). Members of the public can attend virtually or in person to ask questions	Link	Service Manager for Electoral and Democratic Services	Reasonable	Self Assessment			
	b	Committee papers and minutes published, including decisions reached	Link	Service Manager for Electoral and Democratic Services	Reasonable	Self Assessment			
	c	Impact assessments as part of committee clearance process		Service Manager for Electoral and Democratic Services	Reasonable	Self Assessment			
	d	Declarations of interest within committee minutes	Link	Service Manager for Electoral and Democratic Services	Reasonable	Self Assessment			
2) How the authority achieves expected standards of openness and transparency, including a culture of internal challenge and self-assessment	a	Open Data and Transparency information	Link		Reasonable	Self Assessment			
	b	Pay Policy Statements	Link	Head of People and Workforce	Reasonable	Self Assessment			
	c	Publishing of payments to suppliers over £500	Link	Service Manager for Commercial & Procurement	Reasonable	Self Assessment			
	d	Freedom of Information process and compliance monitoring	Link	Service Manager for Assurance	Reasonable	Self Assessment			
	e	Subject Access Request internal audit		Service Manager for Assurance	Reasonable	Internal Audit	Look to replicate good practice within the corporate SARs team to wider Dorset Council responses, as part of transformation work	Oct-26	Service Manager for Assurance
	f	Right of Access Compliance (Subject Access Request) process and compliance monitoring	Link	Service Manager for Assurance	Reasonable	Self Assessment	Review and update policy, to reflect any change arising from transformation work	Oct-26	Service Manager for Assurance

Principle B: Ensuring openness and comprehensive stakeholder engagement									
Lead(s): Jen Lowis, Head of Strategic Comms and Engagement; Jacqui Andrews, Service Manager for Electoral and Democratic Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
3) The arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform decision-making.	a	Consultation and engagement activities		Head of Strategic Comms and Engagement	Reasonable	Self Assessment			
	b	Citizenspace consultation platform		Head of Strategic Comms and Engagement	Reasonable	Self Assessment			
	c	Consultation and engagement policy	Link	Head of Strategic Comms and Engagement	Reasonable	Self Assessment			
	d	Data and Insight for Dorset Resources	Link	Head of Strategy	Reasonable	Self Assessment	Annual update to the State of Dorset report- State of Dorset 2025 to be published by February 2026. With additional ad hoc data briefings aligned to release of national data sets.	Feb 2027; Feb 2028 etc.	Head of Strategy
4) The ways in which the authority communicates with the community and stakeholders	a	Communication and marketing activities		Head of Strategic Comms and Engagement	Reasonable	Peer review			
	b	Corporate Plan Progress reporting - public performance dashboards, quarterly review via scrutiny committees and twice yearly progress reports to Cabinet	Link	Head of Strategy	Reasonable	Self Assessment			
	c	Statutory annual complaints report	Link	Service Manager for Assurance	Reasonable	Self Assessment			
	d	Annual Local Government and Social Care Ombudsman's report		Service Manager for Assurance	Reasonable	Self Assessment	Seek to improve Directorate's performance in providing satisfactory remedies to complainants ahead of LGSCO escalation	Mar-27	Service Manager for Assurance

Principle B: Ensuring openness and comprehensive stakeholder engagement									
Lead(s): Jen Lowis, Head of Strategic Comms and Engagement; Jacqui Andrews, Service Manager for Electoral and Democratic Services									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Means of Assurance	Further Improvement Actions Identified	By When	By Whom
	e	Customer Strategy and Delivery Plan - Reframes communication as a two-way relationship built around accessibility, clarity, trust and collaboration, redefining as 'one organisation', not as multiple departments	Link	Head of Customer Experience	Reasonable	Self Assessment			

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits									
Lead(s): Steve Ford, Assistant Chief Executive; Sean Cremer, Director - Resources									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
1) How the authority establishes its vision, target outcomes, and associated long-term plans to deliver sustainable outcomes.	a	Council Plan	Link	Head of Strategy	Substantial	Self Assessment			
	b	Golden thread running through Council Plan, Service Plans and 1to1s /"My Road Map" appraisals. Revised service plans in development.		Head of Strategy	Reasonable	Self Assessment	Complete whole Council service planning exercise	tbc	Head of Strategy
	c	Committee report impacts sheet		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	d	Data & BI Strategy	Link	Head of Strategy	Limited	Internal Audit	Replace this historic strategy with the new Data and Technology Strategy which is being developed by the Head of ICT.	Apr-27	Executive Director for Modernisation & Customer
	e	Climate and Ecological Emergency Strategy	Link	Assistant Chief Executive	Reasonable	Self Assessment			
	f	Equality Diversity and Inclusion Strategy	Link	Head of Strategic Communications & Engagement	Reasonable	Self Assessment			
	g	Strategic performance framework and reporting tool, including risk. Corporate Plan Progress reporting - public performance dashboards, quarterly review via scrutiny committees and twice yearly progress reports to Cabinet	Link	Head of Strategy	Reasonable	Self Assessment	Publish end year progress report in July 2026 as part of the twice a year update to Cabinet on Council Plan delivery/ progress	Jul-26	Head of Strategy
2) Its decision-making arrangements and how it ensures consideration and demonstration of value for money and best value.	a	Statement of Accounts	Link	Director - Resources	Reasonable	Seld Assessment			
	b	Budget Reports	Link	Director - Resources	Reasonable	Seld Assessment			
	c	Design Authority managing change activity		Head of Transformation and Design	Reasonable	Seld Assessment			

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits									
Lead(s): Steve Ford, Assistant Chief Executive; Sean Cremer, Director - Resources									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
3) Arrangements to achieve fair access to services	a	Equality Diversity and Inclusion Strategy	Link	Head of Strategic Communications & Engagement	Reasonable	Self Assessment			
4) The authority's strategic approach to commissioning across the entity and its partnerships and collaborations.	a	Commercial Strategy	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes									
Lead(s) Steve Ford, Assistant Chief Executive									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
1) The arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to the vision and objectives.	a	Council plan	Link	Head of Strategy	Substantial	Self Assessment			
	b	Corporate Plan Progress reporting - public performance dashboards, quarterly review via scrutiny committees and twice yearly progress reports to Cabinet	Link	Head of Strategy	Reasonable	Self Assessment	Publish end year progress report in July 2026 as part of the twice a year update to Cabinet on Council Plan delivery/ progress	Jul-26	Head of Strategy
	c	Service Plans		Head of Strategy	Reasonable	Self Assessment	Whole council service planning exercise is underway to align with the multiyear financial settlement.	Jul-26	Head of Strategy
	d	Cabinet leads	Link	Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	e	Design Authority		Head of Transformation and Design	Reasonable	Self Assessment			
	f	Our Future Council Programme and Directorate level changes		Head of Transformation and Design	Reasonable	Self Assessment			
	g	Transformation Plan 2025 to 2029	Link	Head of Transformation and Design	Reasonable	Self Assessment			
	h	Professional support from Transformation and Design team		Head of Transformation and Design	Reasonable	Self Assessment			
	i	ICT Change Management audit (Actions have been taken as far as they can, pending IT restructure)		Head of ICT Operations	Reasonable	Internal Audit	Further actions in the audit are to do ITIL v4 training - this is currently a tolerated risk	tbc	Head of ICT Operations
	j	Overview Committees	Link	Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	k	Equality Impact Assessments		Head of Strategic Comms and Engagement	Reasonable	Self Assessment			
	l	Data Protection Impact Assessments (and screening tool)		Service Manager for Assurance	Reasonable	Self Assessment			

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes									
Lead(s) Steve Ford, Assistant Chief Executive									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	m	Consultation and Engagement policy	Link	Head of Strategic Comms and Engagement	Reasonable	Self Assessment	Community Conversations throughout 2026	2026	Head of Strategic Comms and Engagement
2) How budgets and resource strategies align to the delivery of objectives.	a	Design Authority		Head of Transformation and Design	Reasonable	Self Assessment			
	b	Financial strategy	Link	Director - Resources	Reasonable	Self Assessment			
	c	Capital Strategy	Link	Director - Resources	Reasonable	Self Assessment			
	d	Strategic asset management plan 2024-30	Link	Head of Assets and Property	Substantial	Internal Audit			
	e	Budgets and Spending	Link	Director - Resources	Reasonable	Self Assessment			
	f	Budget cafes for councillors		Director - Resources	Reasonable	Self Assessment			
3) How the authority uses self assessment and continuous improvement to achieve value for money	a	Design Authority		Head of Transformation and Design	Reasonable	Self Assessment			
	b	Lessons Learnt processes		Various	Reasonable	Self Assessment			
	c	Organisational Learning group		Executive Director - Housing, Communities & Prevention	Reasonable	Self Assessment / Internal Audit and Investigation	Ensure that wider transformation work reflects and embeds the cultural and behavioural improvements identified in the Investigation Action Plan	tbc	Senior Leadership Team
	d	Annual Audit and Inspection letter	Link	Director - Resources	Reasonable	Self Assessment			
	e	Scrutiny Committees	Link	Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	f	People and Health Scrutiny Performance Dashboard	Link	Head of Strategy	Reasonable	Self Assessment			
	g	Place and Resources Scrutiny Performance Dashboard	Link	Head of Strategy	Reasonable	Self Assessment			
	h	Peer Reviews and Inspections		Various	Reasonable	Self Assessment			
	i	Ofsted inspections and reports	Link	Executive Director for Childrens	Substantial	Ofsted Inspection			

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes									
Lead(s) Steve Ford, Assistant Chief Executive									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	j	CQC inspections and reports	Link	Director for Adult Social Services	Substantial	CQC inspections and reports			
	k	Organisational Compliance and Risk Learning Group		Service Manager for Assurance	Reasonable	Self Assessment	The remit of this working group is to be combined with the Operational Information Governance Group	Sep-26	Service Manager for Assurance
	l	Response to SWAP investigation on governance and financial controls		Director - Governance & Assurance	Reasonable	Self Assessment			
4) The authority's performance management arrangements to ensure continued alignment to its objectives.	a	Performance management framework, incorporating risk		Head of Strategy	Reasonable	Self Assessment			
	b	Performance monitoring and challenge by Scrutiny Committees	Link	Head of Strategy	Reasonable	Self Assessment			
5) Arrangements for the achievement of social value in commissioning, procurement and contracting.	a	Commercial Strategy, incl Corporate Social Responsibility Standards)	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it									
Lead(s): Catherine Howe, Chief Executive; Chris Matthews, Head of People and Workforce									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
1) Member and officer protocols and clarity over roles and responsibilities, including schemes of delegation.	a	Officer Code of Conduct, incl register of interests, gifts and hospitality	Link	Director for Legal and Democratic	Reasonable	Self Assessment			
	b	Member Code of Conduct, incl register of interests, gifts and hospitality	Link	Director for Legal and Democratic	Reasonable	Self Assessment			
	c	Scheme of Delegation	Link	Director for Legal and Democratic	Reasonable	Self Assessment	Roll out of guidance to support revised financial section of the Officer Scheme of Delegation?	tbc	Head of Legal
2) Application of the Code of Practice on Good Governance for Local Authority Statutory Officers.	a	Head of Paid Service, Chief Finance Officer, and Monitoring Officer act in compliance with the Code of Practice		Chief Executive	Reasonable	Self Assessment			
	b	Statutory officers group		Chief Executive	Reasonable	Self Assessment			
3) How financial management roles align with: – CIPFA Financial Management Code (FM Code) – CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)	a	CIPFA Financial Management Code self assessment		Director - Resources	Reasonable	Self Assessment			
	b	Section 151 Officer		Director - Resources	Reasonable	Self Assessment			
4) The arrangements in place for the discharge of the monitoring officer function.	a	Monitoring Officer (and Deputy)		Director - Assurance & Governance	Reasonable	Self Assessment			
5) The arrangements in place for the discharge of the head of paid service function.	a	Chief Executive		Chief Executive	Reasonable	Self Assessment			

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it									
Lead(s): Catherine Howe, Chief Executive; Chris Matthews, Head of People and Workforce									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
6) Induction and development programmes to meet the needs of members and senior officers in relation to their strategic roles	a	Elected member induction and training programme supported by Councillor Development and Support Officer		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	b	Staff induction programme		Head of People and Workforce	Reasonable	Self Assessment			
	c	Mentoring and coaching		Head of People and Workforce	Reasonable	Self Assessment			
	d	1-2-1 / Appraisals / "My Roadmap"		Head of People and Workforce	Reasonable	Self Assessment			
7) Workforce planning and organisational development.	a	People and Culture strategy	Link	Head of People and Workforce	Reasonable	Self Assessment			
	b	"My Roadmap" / Appraisals		Head of People and Workforce	Reasonable	Self Assessment			
	c	Management Academy		Head of People and Workforce	Reasonable	Self Assessment			
	d	Leadership Forum		Head of People and Workforce	Reasonable	Self Assessment			
	e	Recruitment and Attraction team		Head of People and Workforce	Reasonable	Self Assessment			
	f	Suite of HR policies	Link	Head of People and Workforce	Reasonable	Self Assessment			
	g	Employee seminars		Head of People and Workforce	Reasonable	Self Assessment			
	h	Internal audit on establishment control		Head of People and Workforce	Reasonable	Internal Audit			
	i	"Conversations with Catherine" - Chief Executive meeting members of staff		Chief Executive	Reasonable	Self Assessment	Second round of "Conversations with Catherine" during 2026	tbc	Chief Executive
	j	Staffing Committee	Link	Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
8) Arrangements for learning and development, and health and wellbeing.	a	People and Culture strategy	Link	Head of People and Workforce	Reasonable	Self Assessment			
	b	Staff Development Scheme		Head of People and Workforce	Reasonable	Self Assessment			

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it									
Lead(s): Catherine Howe, Chief Executive; Chris Matthews, Head of People and Workforce									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	c	Employee Assistance Programme		Head of People and Workforce	Reasonable	Self Assessment			
	d	Staff Consultative Panels		Head of People and Workforce	Reasonable	Self Assessment			
	e	Mandatory training (and optional modules)		Head of People and Workforce	Limited	Self Assessment	Enable compliance regime for non compliance of information governance training mechanisms (data protection / cyber) Improve wider mandatory training compliance levels	Sep-26	Service Manager for Assurance Head of People and Wellbeing
	f	Employee networks		Head of Comms and Strategic Engagement	Reasonable	Self Assessment			

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
1) Risk management policy, strategy and arrangements for review.	a	Risk management strategy	Link	Head of Strategy	Substantial	Self Assessment	Published in 2025,the strategy will be subject to regular review to ensure it remains current and up to date. Propose internal audit on risk function in 2027 to guide further work.	Apr-27	Head of Strategy
	b	Risk appetite statement	Link	Head of Strategy	Reasonable	Self Assessment	Following the adoption of the organisation's Risk Appetite Statement, work will now progress with all directorates to ensure the approach is fully embedded across services. This will be supported by the development of additional metrics that provide clearer insight and operational guidance aligned to the high-level appetite. The agreed Risk Appetite will also inform the internal audit planning process, strengthening the alignment between risk management, assurance activities, and organisational priorities.	Jul-26	Head of Strategy
	c	Risk Register / Dashboard		Head of Strategy	Substantial	Self Assessment	Following the launch of the revamped risk register in 2025, further development will continue through the introduction of a more granular, revised matrix scoring approach—designed to generate deeper insight and enable automated scoring.	Dec-26	Head of Strategy
	d	Risk assessment within Committee report template		Head of Strategy	Reasonable	Self Assessment	Risk assessment sections within committee report templates will be updated to reflect the revised risk-scoring approach.	Dec-26	Head of Strategy

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	e	Professional support provided by the Risk and Reporting Officer		Head of Strategy	Reasonable	Self Assessment	Continued professional development of IRM-Cert qualified Risk Management and Reporting officer. Risk Learning module to be created to develop competency across the organisation	Apr-27	Head of Strategy
2) How financial management arrangements align with the Financial Management Code.	a	Section 151 Officer		Director - Resources	Reasonable	Self Assessment			
	b	CIPFA Financial Management Code self assessment		Director - Resources	Reasonable	Self Assessment			
	c	Medium Term Financial Plan	Link	Director - Resources	Reasonable	Self Assessment			
	d	Budget updates to committees and SLT		Director - Resources	Reasonable	Self Assessment			
	e	Capital Strategy	Link	Director - Resources	Reasonable	Self Assessment			
	f	Internal audit on Repairs, Maintenance, Minor and Small Capital Works (RMMSCW) Framework (NB - we no longer have a framework and are now moving to contracts)		Head of Assets and Property	Reasonable	Self Assessment; Internal Audit (was limited, but actions complete)			
	g	Treasury Management Strategy	Link	Corporate Director for Finance and Commercial	Reasonable	Self Assessment			
	h	Internal audit on treasury management (continuous)		Corporate Director for Finance and Commercial	Substantial	Internal Audit			
	i	Internal audit on key controls main accountancy (continual)		Corporate Director for Finance and Commercial	Reasonable	Internal Audit			
	j	Internal audit on UK shared prosperity fund			Substantial	Internal Audit			
	k	Internal audit on revenues and benefits (continuous)		Head of Revenues and Benefits	Substantial	Internal Audit			
	l	Annual Outturn and Financial Statements		Director - Resources	Reasonable	Self Assessment			

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
3) Internal control arrangements including: – Cyber, AI and information security arrangements – information governance – asset management – procurement and contract management.	a	Business Continuity framework, with supporting business impact assessment and service level action cards		Service Manager for Assurance	Reasonable	Self Assessment. Internal Audit (Limited) but actions responded to	Revise the business continuity portal; roll out of whole authority cyber exercise	Dec-26	Service Manager for Assurance
	b	Emergency Response Plan / Command and Control structure		Service Manager for Assurance	Reasonable	Self Assessment			
	c	Annual Governance Statement supported by Local Code of Corporate Governance		Service Manager for Assurance	Reasonable	Self Assessment	Consider development of Service Assurance statements, in line with Head of Audit Annual Governance Statement Effectiveness Checklist to incorporate: Governance; Risk; Internal control; Financial stewardship; Safeguarding (where relevant)	Mar-27	Service Manager for Assurance
	d	Internal Audit on Contract and Expenditure compliance with Council constitution and scheme of delegation;		Director for Public Health and Protection	Reasonable	Internal Audit			
	e	Internal investigations by SWAP re health and safety compliance		Director - Assurance & Governance	Reasonable	Internal Audit - Limited assurance opinion, but actions now largely completed (one outstanding)	Ensure that wider transformation work reflects and embeds the cultural and behavioural improvements identified in the Investigation Action Plan	tbc	Senior Leadership Team
	f	Data & BI Strategy	Link	Head of Strategy	Limited	Internal Audit - Data Maturity	Replace this historic strategy with the new Data and Technology Strategy which is being developed by the Head of ICT.	Apr-27	Executive Director for Modernisation & Customer

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
Page 166	g	Data Maturity internal audit		Director - Assurance & Governance	Limited	Internal Audit - Data Maturity	Respond to priority actions identified within internal audit report, including progressing the records management and information resilience business case through governance	Apr-27	Various
	h	Professional advice from Information Compliance Team and Data Protection Officer		Service Manager for Assurance	Reasonable	Self Assessment	Capacity is stretched due to extent of organisational change. Seeking Service Design challenge across information compliance and complaints functions	Oct-26	Service Manager for Assurance
	i	Senior Information Risk Owner	Link	Director - Assurance & Governance	Reasonable	Self Assessment			
	j	Caldicott Guardian	Link	Director for Adult Social Services	Reasonable	Self Assessment			
	k	Strategic Information Governance Board and supporting groups	Link	Service Manager for Assurance	Reasonable	Self Assessment			
	l	Data Sharing Agreements		Service Manager for Assurance	Reasonable	Self Assessment			
	m	Annual Information Governance report to SLT and Audit and Governance Committee	Link	Service Manager for Assurance	Reasonable	Self Assessment			

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
Page 167	n	Information Governance policy framework (information compliance; information management; cyber security; AI/automation)	Link	Service Manager for Assurance	Limited	Self Assessment	Ongoing review and update of information governance policies, on a risk assessed basis. Embedding Responsible AI governance and continuing to evaluate AI opportunities, risks and learning through a controlled test-and-learn approach Strengthening assurance reporting across cyber risk, audit activity, compliance requirements and improvement actions	Dec-26	Service Manager for Assurance Executive Director for Modernisation & Customer Executive Director for Modernisation & Customer
	o	Mandatory data protection training		Service Manager for Assurance	Reasonable	Current compliance levels exceed 90%	Enable consequences for officers with low compliance (reminders; lock down of emails)	Sep-26	Service Manager for Assurance
	p	Mandatory cyber training		Executive Director for Modernisation & Customer	Limited	Current compliance levels just below 90% but improving	Enable consequences for officers with low compliance (reminders; lock down of emails)	Sep-26	Service Manager for Assurance
	q	Professional advice provided by Cyber security and ICT continuity Lead		Head of ICT Operations	Reasonable	Self Assessment	Build more capacity into the new IT structure post restructure to give more time for proactive work to strengthen defences, monitor network activity and build organisational awareness and vigilance to potential cyber attack	tbc	Executive Director for Modernisation & Customer
	r	Internal audit on cyber security risk governance		Head of ICT Operations	Reasonable	Internal Audit			
	s	Cyber security assurance mapping		Head of ICT Operations	Limited	Internal Audit and subsequent work with Public Digital	Progress actions identified following the work with Public Digital	Mar-26	Executive Director for Modernisation & Customer

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
Page 168	t	Data Protection Impact Assessments, with challenge from Operational Information Governance Group		Service Manager for Assurance	Reasonable	Self Assessment			
	u	NHS Data Security and Protection Toolkit		Service Manager for Assurance	Reasonable	NHS assessment (awaiting confirmation that standards met) "approaching standards"			
	v	Information Asset Register and identified Information Asset Owners		Service Manager for Archives and Records	Limited	Internal Audit	Respond to Data Maturity audit recommendations to improve monitoring and compliance of Information Asset Owners	Apr-27	Service Manager for Archives and Records
	w	Professional advice by Assets and Property Team		Head of Assets and Property	Reasonable	Self Assessment			
	x	Capital Strategy & Asset Management Group		Director - Resources	Substantial	Internal Audit			
	y	Strategic asset management plan 2024-30	Link	Head of Assets and Property	Substantial	Internal Audit			
	z	Strategic Performance Framework	Link	Head of Strategy	Reasonable	Self Assessment			
	aa	Commercial Strategy	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			
	ab	Modern Slavery Transparency Statement	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			
	ac	Contract Management Procedure Guide	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			
	ad	Accord Contract Management platform	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			
	ae	Commercial and Procurement Team(internal control tools)	Link	Service Manager for Commercial and Procurement	Reasonable	Self Assessment			

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
4) Assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance arrangements, and internal audit.	a	Risk management strategy embraces the three lines model	Link	Head of Strategy	Reasonable	Self Assessment	Risk Learning module to be created to develop competency across the organisation in 2026. Propose internal audit of risk function in 2027 to guide further work.	Apr-27	Head of Strategy
	b	Quarterly SWAP internal audit reports to SLT and Audit and Governance Committee		Chief Executive	Reasonable	Self Assessment			
	c	Audit and Governance Committee call-in where audit actions not progressed		Director - Assurance & Governance	Reasonable	Self Assessment			
	d	Quarterly risk management reports to SLT, Informal Cabinet, Audit and Governance Committee and Scrutiny Committees		Head of Strategy	Reasonable	Self Assessment	A risk overview will form part of the end of year performance report to Cabinet.	Jul-26	Head of Strategy
5) Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector(GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit	a	Internal audit provision via SWAP Internal Audit		Service Manager for Assurance	Reasonable	Self Assessment			
	b	Chief Internal Auditors report		Service Manager for Assurance	Reasonable	Self Assessment			
6) Arrangements for formal overview and scrutiny (as applicable)	a	Two Overview Committees, covering i) Place and Resources; and ii) People and Health		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	b	Two Scrutiny Committees, covering i) Place and Resources; and ii) People and Health		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
7) Facilitation of internal and external challenge.	a	Peer Reviews and Inspections		Various	Reasonable	Self Assessment			
	b	Ofsted inspections and reports		Executive Director for Childrens	Reasonable	Self Assessment			
	c	CQC inspections and reports		Director for Adult Social Services	Reasonable	Self Assessment			
	d	Officer Task and Finish Group following SWAP investigation, and resultant action plan		Director - Resources	Reasonable	Self Assessment			
	e	Overview, Scrutiny, Audit and Governance Committees		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
8) Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022).	a	Audit and Governance Committee		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	b	SWAP skills audit		Service Manager for Democratic and Electoral Services	Reasonable	Advisory internal audit			
9) Counter fraud and anti-corruption developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).	a	Protected Disclosure (Whistleblowing Policy) and supporting reporting process		Service Manager for Assurance	Reasonable	Self Assessment			
	b	Counter Fraud and Financial Crime Policy		Service Manager for Assurance	Reasonable	Self Assessment			
	c	Fraud and Whistleblowing learning modules		Service Manager for Assurance	Reasonable	Self Assessment - Limited findings in an internal audit but actions complete	Develop training matrix, for better targetting of training	Sep-26	Service Manager for Assurance

Principle F: Managing risks and performance through robust internal control and strong public financial management									
Lead(s): Sean Cremer, Director - Resources; Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	d	Fraud action plan		Service Manager for Assurance	Limited	Self Assessment	Update action plan to better articulate requirements of Economic Crime and Corporate Transparency Act	Sep-26	Service Manager for Assurance
	e	Cifas fraud checks on all new employees and agency workers		Service Manager for Assurance	Reasonable	Self Assessment			
10) Governance, risk and control arrangements across companies, partnerships, collaborations and arm's length bodies.	a	Shareholder Committees for i) Care Dorset Holdings; ii) Dorset Innovation Park; and iii) Dorset Centre of Excellence		?	Reasonable	Self Assessment	Extend fraud action plan to embrace arms length companies, in compliance with Economic Crime and Corporate Transparency Act Review arrangements for multiple or single shareholder committee.	Sep-26	Service Manager for Assurance Head of Legal Services
	b	Councillor representation on outside bodies	Link	Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability									
Lead(s): Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
1) Arrangements for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action.	a	Quarterly SWAP internal audit reports to SLT and Audit and Governance Committee		Chief Executive	Reasonable	Self Assessment			
	b	Annual Internal Audit Opinion report		Service Manager for Assurance	Reasonable	SWAP opinion			
	c	Audit and Governance Committee call-in where audit actions not progressed		Director - Assurance & Governance	Reasonable	Self Assessment			
	d	Internal audit on brokerage service		Head of Good Care Provision	Reasonable	Internal Audit			
	e	Internal audit on payroll key controls (continuous)		HR Manager	Reasonable	Internal Audit	Respond to outstanding action	Aug-26	HR Manager
	f	Internal audit on High Needs Block - Transaction and Case Review		Corporate Director - Education & Learning	Reasonable	Internal Audit			
	g	Internal audit on school attainment and improvement		Corporate Director - Education & Learning	Substantial	Internal Audit			
	h	Internal audit on Childrens Services Direct Payments		Head of B2SA	Reasonable	Internal Audit	Respond to outstanding actions	tbc	Head of B2SA
	i	Internal audit on Safer Recruitment and Keeping Children Safe in Education		HR Manager	Reasonable	Internal Audit	Respond to outstanding actions	tbc	HR Manager
	j	Internal audit on Voluntary Redundancy (VR)		Head of People & Workforce	Substantial	Internal Audit	Respond to outstanding action	tbc	Head of People & Workforce
	k	Main Accounting Continuous Audit		Director for Resources	Substantial	Internal Audit			
	l	Internal audit on temporary accommodation		Corporate Director for Housing	Limited	Internal Audit	Respond to outstanding actions	tbc	Corporate Director for Housing
	m	Internal audit on Quality Assurance Process for Care Providers		Quality & Contracts Monitoring Manager	Reasonable	Internal Audit	Respond to outstanding actions	tbc	Quality & Contracts Monitoring Manager

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability									
Lead(s): Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	n	Internal audit on application of fixed notice penalties		Head of Children Thriving in Education	Reasonable	Internal Audit	Respond to outstanding actions	tbc	Head of Children Thriving in Education
	o	Internal audit on family hubs		Head of Locality & Strategy	Reasonable	Internal Audit - Provided a "Limited" assurance opinion, but actions have been completed			
	p	Internal audit on maintained schools financial management		Team Manager - Schools Finance & Support	Reasonable	Internal Audit			
	q	External Auditor report and action plan		Director - Resources	Reasonable	Self Assessment			
2) Approach to welcoming external challenge and implementing recommendations.	a	Peer Reviews and Inspections		Various	Reasonable	Self Assessment	Corporate Peer Challenge	Sep-26	Chief Executive
	b	Ofsted inspections and reports - Full ILACS inspection of service found us outstanding in March 2025. All children's homes currently rated good or outstanding		Executive Director for Childrens	Substantial	Ofsted	Deliver on most recent Ofsted inspection recommendations	Ongoing	Executive Director for Childrens
	c	CQC inspections and reports - rated "Good" June 26		Director for Adult Social Services	Substantial	Self Assessment	Deliver on most recent CQC inspection recommendations	Ongoing	Director for Adult Social Services
	d	Commissioning SWAP		Service Manager for Assurance	Reasonable	Self Assessment			

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability									
Lead(s): Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
	e	Organisational Learning Group		Executive Director - Housing, Communities & Prevention	Reasonable	Self Assessment	Develop further improvement actions on culture and behaviour, to be reported through Audit and Governance committee on a regular basis - ensuring join up with wider functions including internal comms, learning and development etc. Including measures for validating effectiveness	Mar-27	
3) How learning and improvement are actioned.	a	Organisational Learning Group		Executive Director - Housing, Communities & Prevention	Reasonable	Self Assessment	Develop further improvement actions on culture and behaviour, to be reported through Audit and Governance committee on a regular basis - ensuring join up with wider functions including internal comms, learning and development etc. Including measures for validating effectiveness	Mar-27	Executive Director - Housing, Communities & Prevention
	b	Internal Audit actions tracker		Head of Strategy	Reasonable	Self Assessment			
	c	Assurance Service Lessons Learnt processes (Emergency Planning debriefs; complaints and data breach lessons learnt mechanisms)		Service Manager for Assurance	Reasonable	Self Assessment			

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability									
Lead(s): Liz Crocker, Head of Strategy; Marc Eyre, Service Manager for Assurance									
Principles	Ref	Evidenced By	Link	Owner	Level of Assurance	Method of Assurance	Further Improvement Actions Identified	By When	By Whom
4) How transparency and accountability are maintained across collaborations and arm's length bodies, such as trading companies and joint ventures.	a	Shareholder Committees for i) Care Dorset Holdings; ii) Dorset Innovation Park; and iii) Dorset Centre of Excellence			Reasonable	Self Assessment			
	b	Freedom of Information and Disclosure log		Service Manager for Assurance	Reasonable	Self Assessment			
5) Accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice.	a	Annual Governance Statement		Service Manager for Assurance	Reasonable	Self Assessment			
	b	Independent remuneration panel		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	c	Committee report clearance process		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	d	Committee reports published and meetings open to the public, including streaming (unless exempt)		Service Manager for Democratic and Electoral Services	Reasonable	Self Assessment			
	e	Accountable officers for performance and risk matrices	Internal link	Head of Strategy	Reasonable	Self Assessment	Launch of performance indicator library with all accountable officers listed	Jul-26	Head of Strategy
	f	Corporate Plan Progress reporting - public performance dashboards, quarterly review via scrutiny committees and twice yearly progress reports to Cabinet	Link	Head of Strategy	Reasonable	Self Assessment	Publish end year progress report in July 2026 as part of the twice a year update to Cabinet on Council Plan delivery/ progress	Jul-26	Head of Strategy

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Audit and Governance Committee Work Programme 2026-27

12 October 2026		
Audit Action Update Report	Update Report	Officer Contact – Chris Heighway
Our Future Council Update	Update	Officer Contact – Nina Coakley/Lisa Cotton
Quarterly Risk Management Update	Update Report	Officer Contact – Chris Swain, Liz Crocker
Audit Action Update Report	Update Report	Officer Contact – Chris Heighway
Annual Emergency Planning Report	Report	Officer Contact- Marc Eyre
National Planning Scheme of Delegation	Report	Officer contact – Phillip Crowther

16 November 2026		

25 January 2027		
Our Future Council Update	Update	Officer Contact – Nina Coakley/Lisa Cotton
Quarterly Risk Management Update	Update Report	Officer Contact - Chris Swain, Liz Crocker
Audit Action Update Report	Update Report	Officer Contact – Chris Heighway

22 March 2027		
Quarterly Risk Management Update	Update Report	Officer Contact - Chris Swain, Liz Crocker
Audit Action Update Report	Update Report	Officer Contact – Chris Heighway

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

Issue	Notes	Date raised

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By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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