AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 12 OCTOBER 2026

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

Also present: Cllrs Nick Ireland, Shane Bartlett, Simon Clifford, and Matt Bell

Apologies: Cllrs Jill Haynes

Officers present (for all or part of the meeting):
Sean Cremer (Director - Resources (Section 151 Officer)), Marc Eyre (Service Manager for Assurance), John Miles (Democratic Services Officer), Lisa Cotton (Corporate Director for Transformation and Customer Experience), Philip Crowther (Legal Business Partner - Regulatory), Hannah Davis (Accountant (Children's)), Steven Ford (Assistant Chief Executive), Chris Heighway (Performance and Analytics Team Manager), Lucie Laker (Executive Director for Modernisation & Customer Delivery), Anna Lee (Service Manager for Development Management and Enforcement), Chris Swain (Risk Management and Reporting Officer) and David Wilkes (Service Manager for Treasury and Investments)

Officers present remotely (for all or part of the meeting):
Julia Ingram (Director of Adult Social Services), Paul Dempsey (Executive Director of Children's Services), Julie Masci (Director of Public Sector Audit – Grant Thornton), Elisha Ferguson (Principal Auditor - SWAP)

33. **Apologies**

An apology for absence was received from Cllr Jill Haynes.

34. **Minutes**

The minutes of the meeting held on 3rd of August 2026 were confirmed and signed.

35. **Action Tracker**

It was confirmed by the Cabinet Member for Resources and Finance that action 4 was completed and could be closed.

A question was raised regarding whether action 9 could be removed. It was agreed the action had been completed and was to be removed.

It was asked whether there was an update for action 16. The Director for Resources responded that work had been done regarding how the service

manages the finance ledger and had a number of quality assurance reports within the finance system which were run monthly to look at examples such as where spend is occurring with no budget, or no spend but with a forecast. It was confirmed that the action had been completed by the committee.

The Action Tracker was noted.

36. **Declarations of Interest**

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

37. **Public Participation**

There were no questions from members of the public.

38. **Questions from Councillors**

There were no questions from councillors.

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

The minutes of the Audit & Governance Sub-Committee held on the 17th of August 2026 were noted.

40. **National Planning Scheme of Delegation**

The Service Manager for Development Management and Enforcement introduced the report. The paper set out proposed changes to the Constitution because of the new national scheme of delegation which was due to come into force. Focus was given to the key points that affected Dorset through three different types of applications which were referred to in the legislation which were Schedule 1, Schedule 2, and Own Interest applications.
Under the new scheme Schedule 1 applications such as householder applications, minor commercial applications for development to existing businesses, and minor residential applications for between one and nine homes on less than .5 hectares of land, would no longer come to committee.
Schedule 2 applications covered everything that was not in schedule 1 and included residential applications over 9 homes, listed building consents, and retrospective applications. A triage approach was suggested using triggers that were currently in the constitution. An update sheet had been circulated before the committee regarding Schedule 2 applications.
Own interest applications covered those made by or on behalf of the council, or where the council had an interest in the application. Under the new delegation these applications could only be referred to committee should both the nominated member and nominated officer agree that referral is appropriate. It was recognised that there would be cases where these are brought to committee in the interest transparency and accountability.
The paper also set out the proposed nominated members which were the Chairs of each individual committee and that the Vice-Chair would be a nominated substitute. It was proposed that the nominated officer would be the area manager

for each of the three planning committees and the service manager of spatial planning for the Strategic and Technical Planning Committee.
The proposed updates to the constitution were set out in the report.

It was asked whether this was process would be seen replicated across all councils or if there was any thought given specifically to Dorset. It was confirmed that the scheme was being applied across the country and all councils would have to comply with the new regulations and would face a judicial review of their planning decisions. It was explained that the triage approach to Schedule 2 applications was an area where there was limited discretion.

As the legislation came into force on the 31st of October, it was asked whether applications after that date or all applications currently being considered would be subject to the new regulations. It was confirmed by the Legal Business Partner that there would be no transition period and that any applications not completed by the 31st of October were to be considered under the new regulations.

It was asked whether members were able to consult with the Chair of a planning committee, without predetermination, as to whether that application comes to committee. It was confirmed that there was no problem with a ward member expressing concerns to the Chair of a planning committee.

It was commented that Parish Councils may have felt aggrieved if their representation could not be made due to the updates regarding Own Interest applications. It was confirmed that members had previously expressed concern and officers had looked at ways to give ward members and parish councillors more of a voice without contravening the regulation.

A concern that all powers for ward members to get involved with Schedule 1 applications were being taken away, and that the council needed to be careful as to how that message was put across to the public.

Recommendations were noted.

41. **Transformation Update**

The Director for Transformation and Customer Experience introduced the report. The Key message was that the transformation portfolio remained a high risk which was expected given the scale of change that was delivered. It was clear where those risks sit and had strengthened governance oversight and controls regarding them. The Enterprise Resource Planning system (ERP), which is our new HR, payroll and finance system, was discussed which had an update in the report regarding the approach for implementation and deployment to ensure that the project is fully aligned with the overarching transformation. This alignment is to ensure that we are designing our future ways of working to maximise benefits and make best use of the capabilities of the new solution. Going forward focus was to be given to making sure that changes were adopted successfully, employees were engaged and supported, and implementing solutions where clear and evidenced benefit was seen. The report provided assurance that the strengthening of governance improvement of prioritisation and strengthening of leadership oversight had continued.

A question was asked around section 11.3 of the report around more information on budgetary saving and whether there would be a net benefit to the transformation process. It was responded that in the period 4 financial management report a savings of £5.1 million was shown as being delivered 2026/27. These were assumptions that had been continually revised, and any changes had been brought into the quarter 2 report. It was confirmed that the cost of our Transformation Management Office was £5.2 million. However, confirm that this team includes functions that are essential to core business and functions funded through partnerships, and not all of the cost is directly linked to the delivery of our transformation programmes.

It was asked if there could be more depth around the third-party spending referenced in the report and wanted some assurance that it was being addressed. The work done on third party spending reduction was looking across the council at all the third party spend in pursuit of a £4 million savings requirement in the budget. It looked at where the council spent money on goods and services, who it was spent with, and what the opportunities for efficiency were such as contract renewals.

Concern was raised around the assurance of strengthened governance controls. It was commented that the transformation process had gone through a lot of transformation itself in terms of oversight, control, and risk management.

It was asked whether the £5.1 million of savings was actually delivered or whether it had been forecast. It was confirmed that £2.1 million had been delivered already, £1.1 million had high confidence of being realised, and the £2 million around third party spend was low confidence due to the work that had been surrounding it.

The agile methodology that had been adopted was questioned around whether the council had seen an increase in speed around delivering benefits because of the adopted methodology. It was explained that the purpose of approaching work in an agile way is to enable us to work within multidisciplinary teams and continually rebalance resources in accordance with priorities. There is a test and learn approach applied with every new activity to see what was working for the organisation and would amend the approaches where needed. Working in an agile way also helps to reduce risk by avoiding setting off down a long path of transformation which could not be changed should it not work.

Attention was given to the table of risk areas within the report as there was confusion around why many of the risks remained high. It was commented that only the governance and strategic clarity had reduced in risk to medium because of the assurance received from the South-West Audit Partnership which will be monitored. ERP delivery was to continue as a high risk due to the amount of change that needed to happen across the organisation. It was highlighted that the collateral risks of not achieving the transformation programme impact the current service and that the collateral will appear elsewhere in the council.

The recommendations were noted.

42. **Quarterly Risk Management Update Report**

The report was introduced by the Risk Management and Reporting Officer. It opened with a continuation on the thematic approach to risk reporting, focusing on strategic risk around the council's business continuity arrangements through the lens of principal risk and risk appetite for data and information management. A revised risk matrix was introduced which had been designed to provide a more granular and transparent approach to risk assessment. There were also several initiatives underway to strengthen the council's enterprise risk management framework which was highlighted in the report. The corporate risk register compliance had remained at 100% and was continually reviewed and monitored.

It was asked whether there was any way of getting feedback on the work done with environmental planning and Parish & Town Councils. There had been a lot of work going on with the Dorset Association of Parish & Town Councils such as issuing out a survey to see each Parish & Towns risk profiles.

A question was asked whether the council does any comparison between where its risks were and where other councils are to see if anything could be done better? Comparisons had been done in terms of the framework where the risk profile is broadly comparable.

The recommendations were noted.

43. **Audit Action Update Report**

The report was introduced by the Strategic and Intelligence Risk Lead. It built on the position which had been considered at the committee on the 29th of June and continued to provide a risk focused view on audit implementation, outstanding actions, and organisational assurance. During this reporting period 21 audit actions had been completed. The current position included 50 outstanding audit actions of which 30 were recorded as overdue.
A small number of audits had been identified for further discussion including temporary accommodation with three actions outstanding, subject access requests with one action outstanding, and Children's Services direct payments with three actions that were outstanding.

It was asked how many audit actions remain open. A number of actions had been completed since the report publication but confirmed that it was 50 at time of report completion.

Recommendations were noted.

44. **Internal Audit Progress Report - SWAP**

This item was moved to the end of the meeting as it had exempt content.

The report was introduced by the Assistant Director – SWAP. The report included two finalised audits around fleet maintenance and early years block and funding which were highlighted. The current delivery up to 23 September 2026 was also highlighted and progress was behind due to a combination of leavers and the

unavailability of officers which had led to a reduction in timed deliverables. Recruitment had started within SWAP for several senior auditors and had drawn on staff from across the SWAP partnership to increase output and efficiency leading into the next quarter. Coverage of the principal risks at Dorset Council was included and was a rolling review to ensure there was coverage over all principal risks within the authority.
Appendix A had been included to give members the oversight into the planned delivery for the remainder of the current financial year.

Noted.

45. **Audit Progress Report - Grant Thornton**

The report was introduced by the Senior Manager – Grant Thornton. The paper was a progress report to keep the committee appraised of the progress of the audit and findings. It was highlighted that there were issues with some of the valuations undertaken by the council's external valuation expert and were asked to revisit them. The report was on track to be brought in full to the November committee.

The recommendations were noted.

46. **Annual Emergency Planning Report**

The Cabinet member for Public Health and Prevention in Communities introduced the report. The report provided assurance on Dorset Council's response and capabilities under the civil contingencies act 2004 alongside other legislation. Due to severe floods and record-breaking heatwaves, the impact of global environmental effects had lead to an increased focus on resilience. The paper gave a flavour of activities done by the resilience team and their priorities for the current 12 months.

The Service Manager of Assurance continued with the headlines of the report. Testing and exercising had been done by the team to ensure that the plans were fit for purpose and have learnt from the instances that had been responded to. The report gave details on the instances which had been dealt with over the previous financial year and did not focus on anything after the 31st of March 2026. There were several pressures on the small team in terms of response and planning within the complex risk environment which included cyber threats, power outages, and weather events. The importance of effective emergency planning, multi-agency working, business continuity arrangements, and constructive debriefing was highlighted.

A question was asked regarding how confident officers felt about the resilience that was in place. It was responded that the team was tested with storms earlier in the year which led to one of the key focuses being to look at building resilience across the team and were part way through introducing an emergency plan volunteers' scheme to look at where resources could be pulled from across the authority when needed.

It was asked whether there were any plans in place to talk to national health colleagues. It was responded that a lot of data sharing happens when an incident occurs, but the key part would be to get ahead and have that data available before it happens to be faster and better utilised.

It was discussed whether ward members could be notified or copied into discussions involving incidents in their areas. It was confirmed that they would be told alongside the cabinet member.

The recommendations were noted.

47. **Period 4 Financial Management Report**

The Director of Resources and Section 151 Officer introduced the report. The forecast at the end of July was £8.136 million equivalent to 1.7% of the net budget and remained manageable and in line with the figures at period 4 in the previous year. The report identified three areas linked to the overspend in the areas of Children's Services, Adult Social Care, and Transformation. The Capital Programme was also highlighted which was at £105 million which was about on track. Debt management was covered which were in line with previous reports and council tax was also in line but had seen a decline from previous financial years.

It was asked what actions were being taken to mitigate any overspends. The Director of Adult Social Services responded that within areas of direct control there were robust measures in place around authorising spend. Specific spend on residents were only able to be reduced after a care act review so it highlighted the importance of allocating resources appropriately. There were 4564 people being funded and demand was growing and were approximately 200 people more than anticipated and would grow larger if measures were not continued to be put in place to accommodate the demand.
The Executive Director for Children's Services responded that the number of children in care has increased and so had the unit costs for external residential placements. The actions and strategies were used to intervene earlier and support families to stay together and therefore stop the increase of children coming into care.

Concern was raised around the forecasting and modelling, and it was asked why it was not possible to adequately predict where the budget should be set and what could be done to be better at setting it. It was responded that budgets were within 1.7% of the budget which was not so far out of control that the budget setting was wrong. With the scale of the budgets that were being discussed, being within 3% was not as concerning when thinking about accuracy but did need to do more around confidence and assurance.

It was asked what controllable spends were being actioned to bring the finance back into budget. It was responded that treasury management was being looked at in terms of borrowing, there was a £145 million stability grant which will be a cash injection which would lead to less borrowing, and there was robust control in place for recruitment requests. In the event the position did not improve there would need to be tougher measures investigated.

The recommendations were noted.

48. **Treasury Management Outturn Report**

The report was introduced by the Service Manager for Treasury and Investment. It was explained that the treasury management code of practice that the council followed meant that each year a treasury management strategy needed to be produced for the forthcoming year alongside the budget, a mid-year update on progress against that strategy, and then an annual review of activity which was brought at this committee. All treasury management activity in the year complied with the limits in the strategy for 2025/26 which was detailed in the report. External borrowing had increased over the year by £23 million to £315 million, and internal borrowing was unchanged from the start of the year. The cash and investments had reduced by £23 million to £25 million due to a reduction in the balance sheet resources available.

The recommendations were noted.

49. **Work Programme**

The Work Programme was noted.

50. **Urgent items**

There were no urgent items.

51. **Exempt Business**

Proposed by Cllr Ryan Holloway and seconded by Cllr Ray Bryan.

Decision:

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

52. **Compliance Report from the Monitoring Officer**

The recommendations were commented on and noted.

Duration of meeting: 6.30 - 9.22 pm

Chairman

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