



# **Annual Governance Statement**

**2021-22**

**Good Governance is about how the Council strives to do the right things, in the right way and for the benefit of the residents it serves.**

**PLEASE NOTE THAT MUCH OF THE DETAIL ON HOW YOUR COUNCIL OPERATES CAN BE FOUND IN THE LOCAL CODE OF CORPORATE GOVERNANCE THAT SUPPORTS THIS STATEMENT**

**Supported by:  
Appendix A – Local Code of Corporate Governance  
Appendix B – Summary of Extreme and High-Level Risks**

## Foreword

Dorset Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The Local Government Act 1999 sets out the Council's duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This is reflected in our commitment to transformation and to being a learning organisation.

The Accounts and Audit Regulations (2015) also require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. This document is the third such Annual Governance Statement for Dorset Council, following its inception on 1 April 2019.

The Chartered Institute of Public Finance and the Society of Local Authority Chief Executives (CIPFA/SOLACE) Delivering Good Governance publication (2016) describes principles of good governance to be applied in the public sector. This document and the review it contains are based upon the seven core principles that underpin the CIPFA/SOLACE governance framework.



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## 1. Key Elements of the Council's Governance Framework

- 1.1 The Governance Framework is comprised of the systems and processes, and culture and values, by which the Council is directed, and its activities through which it is accountable to, engages with and leads the community. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 1.2 The process of review and monitoring of governance arrangements across Dorset Council is an ongoing process with updates provided throughout the year. This Statement explains how the Council has complied with The Code and meets the requirements of Accounts and Audit (England) Regulations 2015 regulation 6, in relation to conducting a review of the effectiveness of the system of internal control and the publication of an annual governance statement.

## 2. Overview of Dorset Councils Governance framework

- 2.1 The sections below provide an overview of the Councils key governance arrangements.

<b>Council, Cabinet and Leader</b>	<p>The Full Council agrees the Constitution, a Policy Framework, the Budget and Corporate Plan and appoints the Leader. Within the framework set by the Council the Leader appoints a Cabinet and with the Cabinet exercises executive leadership that</p> <ul style="list-style-type: none"><li>• Provides leadership, approve the budget, develop, and set policy</li><li>• Approve the Constitution which sets out how the council operates</li><li>• Agree Corporate Plan priorities, developed in consultation with residents and stakeholders</li></ul>
<b>Decision making</b>	<p>All decisions made in compliance with law and council constitution. Overview Committees support the Cabinet in developing policy. Separation is maintained between executive (Cabinet and portfolio holder) decisions and non-executive decision making (for instance planning and licensing).</p> <p>All committee meetings are accessible to public, other than for exempt business. Committee meetings are now also streamed, providing greater transparency. Decisions are recorded on the council website</p>
<b>Scrutiny and review</b>	<p>The Scrutiny Committee structure review council policy and challenge decisions. The Audit and Governance Committee reviews governance; promotes and maintains high standards of conduct by councillors; and provides assurance on the internal control and risk frameworks.</p>
<b>Risk Management</b>	<p>A risk management framework sets out a clear approach to management of risks. Risk registers identify strategic, operational and project risks. Risk management is a process that aims to identify significant risks that may impact on the achievement of our objectives.</p>

### **3. Leadership**

- 3.1 The Head of Paid Service is the Chief Executive and is responsible for all Council employees.
- 3.2 The Executive Director for Corporate Development is the Council's Section 151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money. The Corporate Director Legal and Democratic is the Monitoring Officer and is responsible for ensuring legality and promoting high standards of conduct in public life.
- 3.3 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.
- 3.4 Alongside the officers detailed in 3.1 – 3.3, the Executive Director of Place, the Director of Public Health and (during 2020/21) the Corporate Director for Human Resources and Organisational Development comprise the Council's senior leadership team.
- 3.5 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. Each chief officer has a scheme of nomination setting out the powers that others may exercise on their behalf. All elected members represent their electoral ward. Those not appointed to the Cabinet support the development of policy and scrutinise decisions made by the Cabinet or by officers under delegated powers. They also review services provided by the Council and its partners. The Council's committee structure as set out in the Constitution includes two overview committees and two scrutiny committees, one of which is the designated statutory health scrutiny committee responsible for reviewing proposals for significant changes to NHS services in Dorset.
- 3.6 Dorset Council recognises the importance of undertaking adequate scrutiny of the management of the internal control systems and the Audit and Governance Committee creates an environment in which audit, governance and financial accounts matters can be considered without having to compete for priority alongside other matters. The Audit and Governance Committee's remit includes:
- risk management
  - corporate governance
  - internal and external audit
  - financial management
  - consideration and approval of the annual statement of accounts of the Council
  - the operation of the Members' Code of Conduct
- 3.7 The Council's constitution, under the Scheme of Delegation, sets out the terms of reference for the Committee, detailing its remit in greater detail. The 'standard' committee diary provides for six meetings a year and additional meetings are occasionally required for a specific purpose. The timings of the meetings are designed to enable key items of business to be dealt with at the most appropriate time. The Council's overall policy is represented through the Council Plan. We understand that effective performance management relies on close monitoring and assessment of a variety of measures from across the Council.

- 3.8 These range from the highest-level strategic measures – the council’s key performance indicators (KPIs), through to the lower-level metrics and measures which support individual services and teams. The strategic reporting consists of:

<b>Quarterly reporting</b>	Progress with the Council Plan to the Corporate Leadership Team and the Cabinet
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<b>Balanced scorecard reporting</b>	Service performance: monthly to Corporate Leadership Team; monthly to Performance Leadership Group (executive directors and portfolio holders); and quarterly to the Place and Resource Overview Committee and the People and Health Overview Committee
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<b>Quarterly risk management and internal audit updates</b>	Audit and Governance Committee. The Committee has an assurance role on this overarching framework and will refer any areas of high-level concern to the appropriate overview committee.
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- 3.9 Service level reporting provides monthly management information in a range of formats determined by the senior leadership teams of each of the Council’s directorates: People – Adults and Housing; People – Children; Place; and Corporate Development. To measure our performance, it is important to recognise that we carefully consider, amongst other things: statutory requirements, priorities, resources and how we compare to other places. We continue to strive to be open and transparent, and in line with our efforts to maximise the value in our business intelligence and information. The council provides a performance dashboard that helps to provide an insight into council activities that build on a data collection database from services that feed into an overall reporting system. Work continues to further develop the performance dashboard and create a multifunctioning evidence database. Statutory performance (including reporting to agencies and partners) needs to be returned to central government as part of the statutory reporting process - this type of information is useful for benchmarking against other authorities operating in statistically comparable populations.

- 3.10 The framework makes use of a reporting by exception process whereby measures which are identified as off-track require explanation from accountable managers. This will require:

- an explanation of why a target is off-track
- an action plan identifying how this will be rectified
- a timeline for returning to within tolerance (path to green)
- an accountable officer

These actions are tracked through a dedicated action tracking process with regular status updates at subsequent performance meetings. New actions will be identified as part of the performance management meeting and added into the tracking process.

- 3.11 The Council has a 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. The Council expects the highest standards of conduct and personal behaviour from councillors and employees. These standards are defined and communicated through codes of conduct and protocols.

- 3.12 The Council's financial management arrangements conform with the governance requirements of the CIPFA "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). We recognise that Risk Management is an essential part of delivering good governance and reduces the uncertainty of achieving outcomes as set out in the Corporate Plan. The Council remains committed to driving the organisation forward to achieve a risk aware culture. Effective risk management is essential for a Council to demonstrate that it is acting in the best interests of its residents. Much progress has been made with introduction of a 5by5 risk matrix with a focus on extreme and high-level risks.
- 3.13 When risks are identified, an agreement takes place on how they will be managed. The Council's risk profile is regularly reviewed to help deliver satisfaction that management's systems include appropriate controls and provides adequate sources of assurance. It is acknowledged that with such systems in place it will not eliminate all risks, but having systems, mitigations and controls will help to provide a robust process that considers any such risks. The council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud. Dorset Council continues to work to better embed and help raise awareness of the principles of risk management and to assist officers, at all levels, in applying sound risk management. Work continues to develop the council stance towards risk management to better assist colleagues, at all levels, in applying sound risk management principles and practices. Reports are received by the Audit and Governance Committee on a quarterly basis, which with effect from April 22 will also update on key issues from the Information Compliance and Emergency Planning services.
- 3.14 Risk update reports provide a quarterly view on Extreme and High-Level risks that are identified across all services, with separate schedules for Adults and Housing, Children's Services, Corporate Development Services and Place Services. A summary page (Snapshot on Performance) also helps to provide focus on all the services with a series of graphs and headline statements.
- 3.15 Once risks have been scored using the Risk Assessment Matrix, the next step is to understand what this score means and use it to inform a suitable response. Each risk, based on its score, will be rated as either LOW, MEDIUM, HIGH-LEVEL, OR EXTREME and will be colour-coded according to the Risk Assessment Matrix. The rating will determine the approach to be taken to the management of each risk and will reflect the Council's risk appetite i.e., the level of risk the Council is willing to accept or tolerate which then dictates the level and intensity of response required.

The Risk Ranking Matrix identifies the level of risk as highlighted below:

<b>Severity (Impact)</b>	<b>Catastrophic</b> Score 5	Multiple deaths of employees or those in the Council's care; Inability to function effectively, Council-wide; Will lead to resignation of Chief Executive and/or Leader; Corporate Manslaughter charges; Service delivery must be taken over by Central Government; Front page news story in National Press; Financial loss over £10m
	<b>Major</b> Score 4	Suspicious death in Council's care; Major disruption to Council's critical services for more than 48hrs; Noticeable impact achieving strategic objectives; Will lead to resignation of Senior Officers and/or Cabinet Member; Adverse coverage in National press/Front page news locally; Financial loss £5m-£10m
	<b>Moderate</b> Score 3	Serious Injury to employees or those in the Council's care; Disruption to one critical Council Service for more than 48hrs; Will lead to resignation of Head of Service/Project Manager; Adverse coverage in local press; Financial loss £1m-£5m
	<b>Slight</b> Score 2	Minor Injury to employees or those in the Council's care; Manageable disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	<b>Limited</b> Score 1	Day-to-day operational problems; Financial loss less than £100k

<b>Likelihood (Probability)</b>	<b>Certain</b> Score 5	Reasonable to expect that the event <b>WILL</b> happen, recur, possibly or frequently
	<b>Likely</b> Score 4	Event is <b>MORE THAN LIKELY</b> to occur. Will Probably happen, recur, but is not a persisting issue.
	<b>Possible</b> Score 3	<b>LITTLE LIKELIHOOD</b> of event occurring. It might happen or recur occasionally.
	<b>Unlikely</b> Score 2	Event <b>NOT EXPECTED</b> . Do not expect it to happen or recur, but it is possible that it might do so.
	<b>Very Unlikely</b> Score 1	<b>EXCEPTIONAL</b> event. This will probably never happen or recur.

<b>Level of Risk</b>	<b>EXTREME</b> (20-25)	Risks at this level sit above our tolerance and form the biggest risks. Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to manage the risk.
	<b>HIGH-LEVEL</b> (12-16)	The Council is not willing to take risks at this level and action should be taken immediately. These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible.
	<b>MEDIUM</b> (5-10)	While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level. These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risking that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase
	<b>LOW</b> (1-5)	These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risking that should remain under review. These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk. Minor level risks with little consequence but not to be overlooked completely.

3.16 The Council continues to develop its value for money framework. With scarce resources, it is recognised to be essential that the council ensures that it secures best value for all its expenditure. Value for money considerations is implicit in a range of routine council activities such as budget setting, budget monitoring and contract management.

- 3.17 A value for money framework sets out how to develop value for money service benchmarking across the council. This will enable a prioritisation exercise to deliver a timeline for fundamental service review. Local Government bodies, auditors are required to give a conclusion on whether the council has proper arrangements in place to secure value for money and guidance identifies one single criterion for auditors to evaluate:

‘In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.’

- 3.18 Dorset Council has experienced reductions in grant funding and limited increases in its council tax and business rates precept income in recent years together with pressures surrounding Covid 19 and EU Exit. At the same time, the council has been experiencing cost pressures in relation to the range of services it delivers and uncertainty over future funding. The council is nevertheless obligated, under statute, to set a balanced budget for each financial year and has an internal policy to maintain positive reserves and deliver its efficiency plan. Our view is therefore that delivery of financial plans and future sustainability is a key Value for Money risk. Local government in Dorset has undergone a huge change with the county’s nine councils being replaced by two entirely new organisations. This resulted in a reduction in costs by cutting duplication.
- 3.19 The money saved is being reinvested into important services for residents including housing, road maintenance, schools, social care, and waste collection. You can find out more about these changes and what it means for you at [Dorset Council](#) External Audit review and report on the Council’s financial statements (including the Annual Governance Statement) and provide an opinion on the accounts together with the use of resources including providing a value for money opinion.

#### **4. COVID-19**

- 4.1 The Covid-19 pandemic significantly impacted upon people, testing our resilience, requiring us to change the way we deliver services and driving the creation of new services to meet the needs of Dorset residents. Dorset Council has played a significant role in responding to the Covid-19 outbreak, both in the delivery of its own service responsibilities and as part of the multi-agency response coordinated through the Local Resilience Forum.
- 4.2 The Council was able to maintain services to residents, prioritising services to those in greatest need and redeploying staff accordingly. Public Health Dorset, hosted by the Council, played a key part in responding to the pandemic. The pandemic tested the Council’s governance arrangements. Flexibilities introduced by the pandemic enabled elected members to meet online. The Council’s scheme of delegation enabled officers to make urgent decisions and transparency of decision making was maintained through the publication of decision notices. The Council recognises that the Covid-19 crisis has had a significant financial impact and will have a long-term effect on the level of resources available to the Council. In response to the Covid-19 emergency, the Government announced financial support packages for small businesses, and those in the retail, hospitality, and leisure sectors. The support took the form of ten different grant funding schemes during the pandemic with Dorset Council paying out over £257M in grants to local businesses.

4.3 Covid-19 continues to impact upon the people, communities and businesses served by the Council. As we move forward, we will continue to analyse the impact of Covid-19 and understand how the pandemic has impacted our strategic priorities.

## 5. Our Behaviours

5.1 There are [four behaviours](#) that Dorset Council expects every employee to demonstrate. All employees are encouraged to lead by example to encourage and inspire each other through these behaviours. This framework has been designed to aid discussions across Dorset Council, to help all work towards a positive workplace culture. The behaviours we demonstrate, the attitudes we hold and the approaches we take at work are key to the success of Dorset Council and our vision to be an employer of choice. We recognise that our people make our organisation, which is why our behaviours have been developed in partnership with members of our Employee Forum. Behaviours are the attitudes and approaches we bring to our work. They include how we do things; what we say and how we say it; how we treat people; and how we expect to be treated.

## 6. Key Achievements during 2021-22

6.1 The Council continued to carry out significant transformation and restructuring as it began to harmonise the services inherited from the predecessor councils. These achievements included:

<b>Climate and Ecological Emergency</b>	£19m Salix funding to decarbonise Dorset Council buildings. Salix Finance Ltd. provides Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. Salix is a non-departmental public body, owned wholly by Government. Salix is funded by the Department for Business, Energy and Industrial Strategy, the Department for Education, the Welsh Government, and the Scottish Government.
<b>Investment in a new school for pupils with SEND in Dorset</b>	The Council purchased St Mary's School, Shaftesbury which will provide high quality education for children and young people with special educational needs and disabilities (SEND). This is part of a £37.5 million investment over the next five years to provide the best education for Dorset children and young people with special educational needs and disabilities.
<b>New residential home for Dorset children</b>	Invested in a new residential home for Dorset children in Weymouth to prevent them being placed in care far away.
<b>Levelling up grant</b>	Won government funding of £70,000, from the Department for Levelling Up, Housing and Communities for locally important buildings, sites, monuments, and features to be included on new Local Heritage Lists.
<b>Road Safety Weymouth</b>	Awarded £380,000 for projects to help women and girls feel safer on our streets as part of the Government's Safer Streets Fund.

<p><b>Ofsted inspection of children's services</b></p>	<p>Outcome achieved by Children's Services judged as 'Good' by Ofsted, following an inspection of local authority children's services (ILACS) in September.</p> <p>The final report published by Ofsted confirms that the overall effectiveness of Dorset Council Children's Services is of a "good quality and are continuing to improve" and that the council has delivered "an impressive pace and effectiveness of change, in the context of a pandemic and Local Government Reorganisation in 2019."</p> <p>Inspectors also noted that the council has a "proven determination to give every child in Dorset a brighter future." Dorset Council was judged to have "outstanding leadership" for Children's Services, noting that "senior leaders have taken the challenges presented by the pandemic as an opportunity to engage partners more firmly in the wider safeguarding agenda and in the vision of making Dorset the best place it can be for children to thrive." .</p>
<p><b>Won funding to repair worst minor roads in Dorset</b></p>	<p>Twelve rural roads reconstructed thanks to the Department for Transport's Pothole Fund.</p>
<p><b>We invested £42K from the Community and Culture Project Fund Awards</b></p>	<p>Dorset Council's community and culture project awarded £42,484 to 15 local organisations.</p>
<p><b>Awarded £2.13m from the Brownfield Land Release Fund</b></p>	<p>The grant funding will be used to help build almost 200 homes in Dorset on underused brownfield land, helping local people and families get on the property ladder.</p>
<p><b>Homelessness and help for vulnerable adults</b></p>	<p>Awarded £500,000 of government funding to help tackle rough sleeping in the county. Established the 'Safe Space' project so people have a safe place to go when they are vulnerable or unable to get back to their accommodation in Weymouth.</p>
<p><b>Digital Technology</b></p>	<p>The £8 million 5G Rural Dorset project achieved several world firsts. Dorset residents registered for the second Festival of The Future to learn about the benefits of digital technology. Free digital advice service expanded across Dorset to include 13 centres across Dorset</p>
<p><b>Planning</b></p>	<p>Combined the planning information from the six-former district, borough, and county councils and 4.3 million documents have been transferred to a single central system.</p>

<b>Waste Services</b>	Successful changing of bin collections for 34,000 households in North Dorset leading to cost savings on vehicle use, increased reliability, and more efficient round configurations.
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<b>Recognised Awards</b>	<p>5GRural Dorset project won three awards at the Connected Britain Awards. The 5G Innovation Award, the Barrier Busting Award, and the Sustainability Award. Dorset Council received the <a href="#">Armed Forces Covenant Silver Award</a> as part of the Ministry of Defence's Employer Recognition Scheme. <a href="#">The Great South West Tourism Partnership</a> received an Award for Outstanding Contribution to Tourism. Visit Dorset, Dorset Council's tourism team is a key part of this regional partnership and represents Dorset alongside BCP Council's destination management team and the Dorset Tourism Association.</p> <p>Dorset Council's six countryside sites – all awarded the Green Flag this year. <a href="#">Moors Valley</a>, <a href="#">Avon Heath</a> and <a href="#">Durlston Country Park</a>, plus <a href="#">Thorncombe Woods</a> near Dorchester, and the <a href="#">Milldown</a> and <a href="#">Stour Meadows</a> in Blandford, was recognised by the <a href="#">Green Flag Award</a> scheme as some of the very best in the world.</p> <p>Volunteers at the Ancient Technology Centre (ATC) owned by Dorset Council, were honoured with the Queen's Award for Voluntary Service (QAVS) in recognition of their dedication to bringing history alive for communities across the south helping to create and run one of the South's most unique learning environments.</p>
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<b>Summer in Dorset</b>	The council offered 18,000 funded places across 50 locations for eligible children to take part in Summer in Dorset activities. Over 1,500 children took part.
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<b>Easter in Dorset</b>	More than 1,500 fun food and activity 'holiday bundles' were sent to Dorset children who needed it most at Easter. Hundreds of children experienced new activities, enjoyed physical exercise, and made new friends at face-to-face and online sessions. Over the Easter holidays we sent out holiday bundles, containing ingredients and recipes for two tasty meals and home activity sheets, to those who needed it most.
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<b>County Parks</b>	Dorset Council's Durlston Country Park in Swanage received a grant of £35,400 from the Government's Culture Recovery Fund. Dorset Council has six countryside sites. All were awarded Green Flag status
<b>The Defence Battle Lab project</b>	<p>A £5.7m collaboration between the MOD, Dorset Council, and the Dorset Local Enterprise Partnership (LEP), to provide an ambitious Defence building programme at the heart of Dorset, dedicated to the pursuit of innovation and technologies of the future opening November 2021.</p> <p>Established in 2011, Dorset LEP is a private sector-led organisation responsible for speaking on behalf of businesses, championing important issues with government, securing funding and investment for the region, and driving the economic growth of Dorset.</p>

<b>Equality and Diversity</b>	<p>The council was awarded level 2 Disability Confident for employers. The Disability Confident scheme aims to help employers make the most of the opportunities provided by employing disabled people. It is voluntary, has been developed by employers, and disabled people's representatives.</p> <p>The Disability Confident scheme has 3 levels that have been designed to support you on your Disability Confident journey. Employers must complete each level before moving on to the next.</p>
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<b>COVID Support</b>	<p>Thousands of pieces of office equipment were delivered to employees at home and delivered food, prescriptions, and PPE (Personal Protective Equipment). Ensured that children and young people travelled to and from school safely and supported families with free school meal.</p> <p>Community Shield work with volunteers helped Dorset Council to respond to thousands of calls and emails and stayed connected with those who were shielding. Kept children active through lockdown and organised a Summer in Dorset and Easter in Dorset activity programme.</p> <p>Thanks to the launch of the Digital Hotline, volunteers helped more than 550 people get online.' Conducted socially distanced weddings. Distributed grants to support local businesses. Free school meals funding.</p>
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## 7. Review of Effectiveness

- 7.1 The work of internal audit aligns with the aims and objectives of the council, considering key risks, operations, and changes. To do this Internal Audit needs to be flexible in adapting audit plans to handle changing risks, priorities, and challenges. It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.
- 7.2 Dorset Council uses the services provided by SWAP Internal Audit Services which is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners, crossing eight Counties, but also providing services throughout the UK. The resulting programme is a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment is based on the live status of both the Council's strategic and service risk registers.
- 7.3 The results of our risk assessments are shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, SWAP take account of other sources of assurance, where relevant. Please note that Internal Audit is only one source of assurance, and the outcomes of internal audit reviews are considered alongside other sources, as part of the 'three lines' assurance model. It remains the responsibility of the council's Senior Leadership Team and the Audit & Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by Dorset Council.
- 7.4 SWAP continues to provide Dorset Council with a health check, based on eight essential corporate functions which underpin day-to-day operational activities. This approach is based on the IIA (Institute of Internal Auditors) (Institute of Internal Auditors) three lines model and provides an overarching view of governance arrangements.

- 7.5 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently. The governance framework comprises the rules, procedures, systems, and processes by which the Council is controlled.
- 7.6 The quality of governance arrangements underpins the levels of trust in public services and is fundamental to the Council's statutory and democratic obligations. Good governance allows the council to be clear about how it discharges its responsibilities and to show this for members, partners, and residents. The system of internal control is a significant part of the framework and is designed to ensure risks are managed within the Council's appetite.
- 7.7 We cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The effectiveness of the framework is monitored and assured through routine performance monitoring and by internal and external audit. The key elements of the review of effectiveness are:
- The Council's internal management processes, such as performance monitoring and reporting; the employees performance appraisal framework (My ROAD map is the framework in place to support employees and managers to hold good conversations. Objectives can be prepared before each 1-1 to help reflect on achievements and career goals).
  - The Local Code of Corporate Governance Self-Assessment, confirming that the Code of Conduct, Financial Regulations, and other corporate governance processes have operated as intended within services throughout the year.
  - Corporate, Service and Project Risk Registers which identify significant exposures together with action plans intended to bring the level of risk down to an acceptable level. The work of the audit and governance committee which includes responsibility for monitoring the development and operation of corporate governance in the council
  - Quarterly Audit Improvement monitoring reports, Annual Internal Audit Reports and External Audit (ISA260), reviews by external inspection regimes (such as Ofsted and optional peer challenges).
- 7.8 During work on the formation of Dorset Council the Shadow Council adopted a Councillor Code of Conduct. Following a review of the Code of Conduct the Council agreed to adopt the new LGA Model Code of Conduct and to encourage town and parish councils to adopt the same code. The Council also worked with the Dorset Association of Parish and Town Councils to develop an e-form, making it easier for all councillors to declare their interests online and to improve the accessibility of information on its website.



**8. What actions have been taken in response to 2020-21 Annual Governance Statement**

<b>Service Manager for Assurance</b>	<b>Action 1</b>	A March 21 internal audit on Fraud and Whistleblowing has identified Priority 2 actions. These will be addressed by the Fraud task and finish group, with a focus on training.
		<p>Update – Southwest Audit Partnership completed an audit on ‘Fraud and Reporting’ in April 2021, with the objective of providing assurance that the fraud management arrangements are clear and accessible.</p> <p>The outcomes from the audit have been added to the existing Anti-Fraud, Bribery and Corruption Action with a clear delivery timetable.</p> <p>SWAP completed a second piece of fraud reporting in May 2021, a cross-cutting baseline assessment report on the maturity of fraud management. In many areas assessed against peers the authority has clearly initiated work in the key areas, but conflicting priorities on the Covid response mean that many of these arrangements are not yet fully operational.</p> <p>Whilst some actions remain outstanding, good progress has been made. The Council is an active member of CIFAS (UK fraud prevention community). SWAP is currently carrying out fraud risk interviews with key services, based on the DC risk methodology.</p> <p>Policies have been reviewed and updated and will be submitted for sign off in early 2022/23. Promotion of fraud and whistleblowing arrangements have been improved.</p> <p>The Council will continue to assess progress against the baseline assessment report.</p>

<b>Service Manager for Assurance</b>	<b>Action 2</b>	Compliance with mandatory data protection training remains low (circa 40%). The training module has been improved and further communication and monitoring established, including a KPI (key performance indicators) on compliance.
		<p>Update – Training levels on Data Protection remain disappointingly low (47% as of Mar 22).</p> <p>This is not limited to the Data Protection policy, and similarly low rates apply to other mandatory modules.</p> <p>The Organisational Development Team will be taking a paper to Senior Leadership Team on mandatory training in early 2022/23 to determine how completion rates can be achieved.</p>

<b>Service Manager for Assurance</b>	<b>Action 3</b>	Following local government organisation and transition into Dorset Council, time is right to undertake a thorough assurance mapping exercise.
		<p>Update – We are currently working with Southwest Audit Partnership to develop a more holistic Assurance Map, which will identify and capture other streams of assurance over the corporate risks across the Council. From this assessment we will be able to visually highlight key assurance gaps, but also build a better picture of assurance outcomes to help direct focus and oversight.</p> <p>The work is sponsored by the Corporate Director, Legal and Democratic. Work has however not moved as quickly as hoped, due to other commitments within service areas.</p> <p>This action will therefore roll forward into the 2021/22 action plan.</p>

<b>Service Manager for Electoral and Democratic Services</b>	<b>Action 4</b>	The format of future committee meetings will be subject to further discussion, once there is clarification on legislation post May 21.
		<p>Update – The Chief Executive exercised delegated powers to continue with virtual informal committee meetings until such time as a webcasting solution is installed and tested providing the option to non-committee members, officers, and members of the public to engage in the democratic decision-making processes remotely.</p> <p>There were a few committees where physical attendance continued, i.e., school transport appeals, licensing sub-committees and Code of Conduct Hearings and precept setting, where officers are unable to take decisions under delegated powers.</p> <p>From February 2022 many committee meetings have returned to physical attendance, with streaming capability increasing transparency of decision making.</p>

<b>Covid Silver</b>	<b>Action 5</b>	Dorset Council Operations Group to manage and focus on additional visitor demand
	<p>Update – In anticipation of additional visitor demand because of the pandemic, a Dorset Council Operations Group for summer planning began meeting in February 2021 and over the summer. Plans for summer included:</p> <ul style="list-style-type: none"> <li>• Additional Civil Enforcement Officer hours</li> <li>• The creation of ‘tow away’ areas for illegally parked vehicles</li> <li>• More bins and waste collections</li> <li>• Additional signage for visitors at beauty spots</li> <li>• Volunteer ambassadors to welcome visitors to local beauty spots and historic towns</li> <li>• Safety Marshals were deployed to key visitor locations to monitor numbers and provide on the ground intelligence</li> <li>• Additional CCTV cover</li> <li>• Additional response to licensing matters and issues</li> <li>• Safety Advisory Groups</li> </ul> <p>Dorset Council played an active part in the Local Resilience Forum multi-agency Forward Look group. This involved partner working together to identify key risks and enable appropriate response, based on multi-partner intelligence.</p> <p>The Dorset Council Operations Group established a multi-agency control centre (MACC). The purpose of the MACC was to establish a virtual multi-agency capability which maintained county wide situational awareness from council departments and partner agencies and organisations. Council services, partners and organisations feed twice daily situation reports into the MACC. During the school summer holidays the MACC operated 7 days a week 0930 – 1800 and held twice daily virtual briefings between Dorset Council and Dorset Police at the weekends.</p> <p>A debrief of Summer Operations was held in October 2021 and the output of this will inform planning for Summer 2022. The Dorset Council Operations Group will continue to meet.</p>	

**9. What actions will be taken in response to this 2021-22 Annual Governance Statement**

9.1 Specific opportunities for improvement in governance and internal controls identified as part of the assurance processes have been addressed or are included in action plans for the relevant managers.

<b>Action 1 Head of Organisational Development)</b>	Compliance with mandatory training remains low. Action to be taken by Organisational Development
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<b>Action 2 Service Manager for Assurance</b>	Ongoing rollout of Assurance Mapping and Fraud Risk Assessment work
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<b>Action 3</b> <b>Service Manager for Assurance</b>	Improve compliance rates for Subject Access Request responses
<b>Action 4</b> <b>Service Manager for Assurance</b>	Embedding “Data Protection by Design and Default” through improved Data Privacy Impact Assessments, potentially incorporating into a wider “whole impact” assessment (equality; climate change etc).
<b>Action 5</b> <b>Service Manager for Archives</b>	Rollout of Information Asset Register

**10. Approval of the Annual Governance Statement 2021-22**

The Council is satisfied that this statement provides a substantial level of assurance that good governance is in place in Dorset Council and that appropriate arrangements are in place to address improvements in our review of compliance. Progress on these improvements and on addressing any mitigating the risks will be monitored through the year by senior officers and elected councillors of Dorset Council.

**Supported by:**

**Appendix A – Local Code of Corporate Governance**  
**Appendix B – Summary of ‘Extreme and High-Level’ Risks**