

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 17 APRIL 2023

Present: Cllrs Richard Biggs (Chairman), Susan Cocking (Vice-Chairman), Rod Adkins, Bill Pipe, Belinda Bawden, Simon Christopher, Robin Legg, David Gray

Also Present: Cllrs Spencer Flower and Ray Bryan

Present remotely: Cllrs Jill Haynes

Apologies: Cllrs Barry Goringe and Bill Trite

Also present remotely: Ian Howse

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

John Miles (Democratic Services Officer Apprentice), Aidan Dunn (Executive Director - Corporate Development), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), Marc Eyre (Service Manager for Assurance), Sean Cremer (Corporate Director for Finance and Commercial), David Bonner (Service Manager for Business Intelligence and Performance), Sally White (Assistant Director SWAP), Susan Dallison (Democratic Services Team Leader), David Trotter (Risk and Resilience Officer), Angela Hooper (Principal Auditor SWAP) and Steven Ford (Corporate Director for Climate and Ecological Sustainability).

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

James Ailward (Head of ICT Operations), Antony Littlechild (Sustainability Team Manager) and Carl Warom (Climate and Ecological Policy and Project Manager)

114. Apologies

Apologies for absence were received from Cllrs Bill Trite and Barry Goringe.

115. Minutes

The minutes of the meeting held on 27th February 2023 were confirmed and signed.

116. Declarations of Interest

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

117. Public Participation

There was no public participation.

118. Minutes of the Audit & Governance Sub-committee

There were no Sub-committee minutes to note.

119. Report of Internal Audit Activity Progress Report 2022/23 - March 2023

The Assistant Director for SWAP introduced the update report for the 2022-23 financial year.

The committee was informed that a new significant risk had been identified by SWAP for the response to the climate emergency. During the later part of 2022, an audit was conducted regarding the council's response to the climate emergency.

The portfolio holder for Highways, Travel and Environment recognised the need for internal and external audit. He added that since May 2019, a very small team of officers had worked very hard to bring about the results to date and he did not feel that the SWAP report was a reflection on this work.

The Corporate Director for Climate Transformation, Innovation, Digital and the Environment presented the progress that had ensued over previous months since the audit work had been concluded and next steps.

The presentation highlighted Dorset Council Priorities, the complexity of climate change, work undertaken, timeline and targets, operational programme, and facilitation programme.

The committee was made aware that during and after the audit, there were significant changes to how the climate program was being governed. A fully operational group that oversees the key emitting areas of the councils' operations, a CLT sub-group, a refresh strategy and a decision wheel was implemented.

Comments were made by members regarding the SWAP report being a snapshot at that time, the importance of the work of SWAP auditors, other large organisations such as, Dorset County Hospital and their climate impact, the changing of E,P,C rules and the many listed buildings and exemptions, the concern for people who lived in rural areas and charging points and the encouragement of town and parish councils to declare a climate emergency.

The Portfolio Holder for Highways, Travel and Environment requested a better understanding on the terminology of risk for the update report.

The Assistant Director for SWAP responded that the risk identified was the potential risk of the council failing to reach its net zero targets by 2040. At the time of the audit there were some concerns with data and the ability to fully calculate the impact.

Decision

The report was noted.

120. Internal Audit Annual Opinion Report 2022-23.

The Principal Auditor SWAP Internal Audit Services introduced the Annual Opinion Report.

The committee was informed that there was reasonable assurance with the internal opinion. There were 8 limited assurance opinions issued with two of these identified as a significant risk. The process of continuous follow up continued to substantially reduce the number of outstanding overdue actions. The number of overdue priority 1 and 2 actions had reduced significantly by 34 in June 2022 to 10.

The annual report supported the council's annual governance statement, and the balance of the 2022-23 audit work had been considered and SWAP were able to offer reasonable assurance opinion in respect of the areas reviewed during the year. Most were well controlled and risks generally well managed. Some areas required the introduction of improvement internal controls, the robust approach to implementation of audit actions was part of the consideration in forming this opinion.

Councillors asked questions regarding audit resources and the 25% reduction in audit days.

The Director for Legal and Democratic informed that when Dorset Council came together 4 years ago, the audit hours were brought together from all the predecessor councils and gradually these audit hours had been reduced to an acceptable level for an authority of this size.

The Assistant Director for SWAP responded that as the reduction was over a number of years it had allowed SWAP to plan resources and the audit budget and number of days was sufficient to provide an annual opinion to the council.

Decision

The report was noted.

121. Approach to Internal Audit Planning 2023/24

The Principal Auditor SWAP Internal Audit Services introduced the report for Internal Audit Planning.

The committee was informed that SWAP was continuing with a flexible approach to audit planning, which was driven by a continuous risk assessment approach that was regularly reviewed with each directorate and based on the council's strategic and service risk registers and performance management data.

The institute of internal auditors planned to change SWAPs professional framework and the internal audit charter which guided internal audit work and was based around this framework.

The charter would be reviewed as further information became available and, in the meantime, would continue to operate in the framework of the existing charter.

Decision

The report was noted.

122. Annual Governance Statement- 2022/23

The Service Manager for Assurance introduced the draft annual governance statement.

The Draft Statutory Annual Governance Statement was presented to the committee to give members the opportunity to comment on the contents before it was signed off by the Leader of Council and Chief Executive and accompanied the annual accounts.

Seven improvements were identified regarding on-going work to improve subject access request compliance, further embedding of risk management, rolling out the data strategy, embedding data protection impact assessments, developing information asset register, roll out with the climate risk assessment and improving compliance rates on mandatory training.

No comments were received so the statement would go forward for signing.

Decision

The report was noted.

123. Approach to Value for Money

The Service Manager Business Intelligence & Performance Transformation, Innovation, Digital & Environment introduced a report on an update on the progress of understanding and evolving approach for value and money.

The report outlined the progress and the details of a pilot study conducted with IT colleagues and the need to start evolving the performance framework to include greater levels of benchmarking and to build in value for money assessment into the existing framework.

The Head of ICT Operations informed the committee that the society of innovation, technology and modernisation provided a benchmarking service and most of the input for the value for money assessment, which looked at the 2021-22 financial year and a customer service snapshot of customer feedback in 2022. Following a cyber security review there was a strong cyber culture and good cyber working practice at Dorset Council.

The review demonstrated some good strengths for the operational service and showed low revenue spend against benchmark peers. Strategic managers were less satisfied with the support they received from the technology function.

Cllr Gray highlighted the importance of working with the officers who controlled the budgets and held consultation with the customers.

Decision

The report was noted.

124. Update on External Audit

Ian Howse from Deloitte updated the committee on the progress of the external audit.

The committee was made aware that the audit continued to make progress and was very close to completion.

Noted

125. Work Programme

There were no comments.

126. Urgent items

There were no urgent items to report.

127. Exempt Business

There were no exempt items to report.

Duration of meeting: 10.00 - 11.24 am

Chairman

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