

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 27 FEBRUARY 2023

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

Apologies: Cllrs Barry Goringe and Robin Legg

Also present remotely: Ian Howse, Sally White (Assistant Director SWAP) and Angela Hooper (Principal Auditor SWAP)

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

John Miles (Democratic Services Officer Apprentice), Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), Marc Eyre (Service Manager for Assurance), Sean Cremer (Corporate Director for Finance and Commercial), John Sellgren (Executive Director, Place), Susan Dallison (Democratic Services Team Leader), David Trotter (Risk and Resilience Officer), Heather Lappin (Head of Strategic Finance) and Matthew Piles (Corporate Director - Economic Growth and Infrastructure)

102. Apologies

Apologies for absence were received from Cllrs Barry Goringe and Robin Legg.

103. Minutes

The minutes of the meeting held on 16th January 2023 were confirmed and signed.

104. Declarations of Interest

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

105. Public Participation

There were no public statements and questions to report.

106. Minutes of the Audit & Governance Sub-committee

No meetings of the Audit & Governance Hearing Sub-committee had been held since the last meeting.

107. Quarter 3 Financial Management Report 2022/23

The Head of Strategic Finance introduced the Quarter 3 financial report which had been considered by Cabinet on 23 January 2023 and set out the current financial position and the progress made to date.

The overall forecasted overspend was £8.4 million in Quarter 3, compared to Quarter 2 which was £7.8 million. The main areas of overspend and in-year council rate collection/business rates and sundry debt were covered. The committee was made aware that any continued use of reserves would impact the resilience of the Council. The Council's risk rating had returned to high due to recent economic events; capital spend continues to fall behind, and a detailed review of the existing capital program was being undertaken.

The committee covered matters such as, the update on 10.26 and the high needs block entering a safety valve agreement with department of education, workshops held with department of education to discuss improvements and causes and the development of a recovery plan.

To put the report into context, Matthew Piles, the Corporate Director of Economic Growth, and Infrastructure outlined to the committee the Dorset Travel Budget and highlighted the challenges faced from inflation, fuel, and driver costs.

The procurement bill was subsequently discussed along with, debt management and the review of the capital program.

Noted

108. Update on the External Audit of 2020/21 and 2021/22 and the Value for Money Opinion for 2020/21

Ian Howse from Deloitte updated the committee on the external audits 2020-21 and 2021-22.

The committee was informed that the 2020-21 audit had been delayed along with 157 other councils across the country and highlighted that there were issues around infrastructure assets in terms of how they are accounted for and that this was a national problem.

There had been a statutory instrument issued and guidance from CIPFA considered by the council. The reduced disclosures option will be implemented, a review of useful economic lives will result in slight changes in figures to accounts as revised levels of life are applied to some infrastructure assets.

The committee was assured that good progress was being made and the aim was to clear the backlog and conclude the audit 2020-21 in time for next Audit and Governance meeting on 17 April 2023. The 2021-22 audit would be completed alongside the 2021 audit, and that it should be ready to sign by the summer. The aim was to complete the 2022-23 audit by the end of the year.

Taxpayer value for money and delays to audits were covered. It was made clear to the committee that the national audit office set out requirements for auditors on value for money and assessments were at a high level. A process to secure value for money and ensure a balanced budget, set the accounts and to monitor the cost of delivering services must be followed.

The committee was informed that audits were becoming more complex as regulations increased, there were issues across sectors and limited resources available to deliver work on time. But it was ensured that efforts were being made to complete the audits as quickly as possible.

Noted

109. **Appointment of Co-opted Independent Committee Members**

The Service Manager for Assurance outlined a report on the appointment of Co-opted Independent Members to the committee.

The committee was made aware that Co-opted members would meet best practice CIPFA guidelines and supplement existing knowledge and skills.

The committee considered the following three options:

- Option one- Do nothing.
- Option two- Incorporate co-opted independent membership at the earliest opportunity.
- Option three- Incorporate co-opted independent membership following local elections in May 2024.

Concern was expressed regarding the appointment of independent members so close to the next Dorset Council elections and that the new council elected in 2024 should not be encumbered by this decision. Existing external and internal auditors were already being paid for by Dorset Council and co-opted members would cost the council additional money in allowances.

However, further comments were made that it was good practice to have co-opted members, as advised by the LGA. It would be a small cost of £500-£2000 per annum and there would be no compulsion for co-opted members to be paid and could be voluntary. Allowing co-opted members to be members of the committee would add a level of continuity as there may be a number of councillors retiring in 2024.

It was suggested that it would be beneficial to conduct a skills audit of existing committee members to identify the skills already on the committee that could then inform the set of skills required by co-opted members.

Members requested that the term Co-opted Independent Members used in report be amended to Co-opted Members and the Director, Legal and Democratic, agreed with the suggested change.

It was proposed by Cllr Bill Trite and seconded by Cllr David Grey.

Decision

To propose to Full Council that the Committee's constitution is changed to incorporate two co-opted members, at the earliest opportunity.

Reason for decision

To ensure that the Committee has the appropriate level of technical expertise to perform its role as set out in its terms of reference.

110. **Review of Public Participation Rules**

The Democratic Services Team Leader introduced a report on a review of the Public Participation Rules.

The committee was advised that any decisions to amend procedure rules will have to be recommended to Full Council as it was a change to the Constitution.

Concerns were raised about limiting public participation to 8 questions in 30 minutes and how this could restrict public participation.

Members also discussed how Dorset Council enabled people to attend meetings, submit questions and attend remotely. The importance of encouraging participation from the public was highlighted.

As an amendment it was proposed by Cllr David Grey and seconded by Cllr Belinda Bawden that in exceptional circumstances the Chairman of Council to have the discretion to allow more than 8 questions.

On being put to the vote the amendment was CARRIED

Recommendation to Full Council

That the Procedure Rules for Public Participation be amended as follows:

- (a) That the Council accepts the first 8 questions and the first 8 statements received from members of the public or organisations for each Full Council meeting on a first come first served basis in accordance with the current deadline for receipt of questions and statements;
- (b) That, in exceptional circumstances the Chairman of Council has discretion to allow more than 8 questions.
- (c) That any questions received over the first 8 questions, the resident or organisation will be asked if they wish to receive a written response from the Portfolio Holder;
- (d) That members of the public or organisations can submit a maximum of 1 question or 1 statement at each meeting of the Full Council;
- (e) That each question or statement submitted be up to a word count of 450 and the response from the Portfolio holder be a maximum of 300 words;
- (f) That statements received by residents or organisations be published, in full, before the Full Council meeting as a supplement to the agenda and published, in full, as an appendix to the minutes but will not be read out at the Full Council meeting to allow more time for questions and responses.

Reason for Decision

To enable the Chairman of Council to manage the half hour public participation period effectively and allow each person who submits a question to read out the question in full and receive a response.

111. **Work Programme**

The Audit 2021 accounts to be added to the work programme.

112. **Urgent items**

There were no urgent items to report.

113. **Exempt Business**

There were no exempt items to report.

Duration of meeting: 10:00- 11:36

Chairman

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