

# Dorset Council

## Report of Internal Audit Activity

Progress Report 2022/23 – March 2023

## 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.

The contacts at SWAP in connection with this report are:

**Sally White** Assistant Director  
Tel: 07820312469  
[sally.white@swapaudit.co.uk](mailto:sally.white@swapaudit.co.uk)

**Angie Hooper** Principal Auditor  
Tel: 07536453271  
[angela.hooper@swapaudit.co.uk](mailto:angela.hooper@swapaudit.co.uk)

SWAP is an internal audit partnership covering 26 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/>



### Audit Opinion, Significant Risks, and Audit Follow Up Work

#### **Audit Opinion:**

This is our final update report for 2022/23 financial year. As this update can be viewed together with information provided within the Internal Audit Annual Opinion Report this update report has been shortened to contain essential elements only.

Since our last progress report in January 2023, we have issued **one Limited** assurance opinion on the areas and activities we have been auditing. This Limited assurance has also been classified as a significant risk. Further details on this can be found below.

#### **Significant Risks**

SWAP has undertaken an audit of **Response to Climate Emergency** to provide assurance that the Council has appropriate plans and structures in place to work towards its aim of achieving net zero by 2040. Whilst the audit has acknowledged that significant progress has been driven by a small team in a short timeframe, achieving carbon neutrality across the council's operations by 2040 will require clear governance and corporate ownership for the response to the climate and ecological emergency to be embedded throughout the Council's workforce. We have highlighted that the scale and maturity of the resourcing, service prioritisation and governance models in place at the time of our work, were not sufficient to ensure that the response to the climate emergency continues at the pace required.

It has not been possible to provide reasonable assurance on the likelihood of the council reaching its net zero target without plans in place to gain a comprehensive understanding of localised carbon emissions. There are known and longstanding issues and limitations with the data provided by services to calculate the council's carbon footprint. This impacts the reliability in some areas of reporting against the short-term target to reduce total emissions from the 2019 baseline by 40% by 2025. It could be challenging to validate achievement of this target. However, of equal concern is the absence of a corporate plan and capacity to identify the relevant 'Scope 3' indirect emissions, including those relating to supply chain, partner services and working from home, which contribute towards the 2050 net zero target for the Dorset Area. In addition to expertise, this will require a substantial and joined up cross-directorate effort.

We concluded our work towards the end of 2022 and we acknowledge the importance that the Council has placed on our findings and are aware that work has already started at pace to address a number of the key

## Executive Summary

issues raised in our report. The following is an update provided by the Corporate Director on progress towards implementation of some of the key concerns arising from the review work as follows:

*The governance of the climate and ecological programme has matured significantly, although it should be added that there was strong member-led governance in place through the Executive Advisory Panel (EAP) when the programme was first set up, and one of the first commitments of the new council was to declare a climate and ecological emergency. There is now an operational group that monitors and measures progress against the delivery programmes required to decarbonise the council's operations, and this feeds into a CLT subgroup that provides strategic, cross-organisational leadership. Additionally, the progress of the programme is reported twice yearly to the Place and Resources Scrutiny Committee and is also reported to cabinet twice yearly as well to ensure that there is robust member oversight.*

*Given the tight financial landscape within which Dorset Council operates, it is testament to the commitment of the council that the size of the team has increased from 2.0 FTEs to 9.0 FTEs during the period between March 2021 and March 2023, which is enabling a more comprehensive approach to be taken to tackle areas such as data quality and access. Significant additional resources have been sourced from the programme management and communications team to support the work of the programme, and officers from multiple services are dedicating significant amounts of time to this work. Additionally, the team has been moved into corporate services, which should allow for greater alignment with the council's priorities and how change is driven across the organisation. This is all matched to a £10m council capital programme that is driving the work of the operational group, and this is part of a wider programme of work that is worth well in excess of £50m with a mixture of council, private and government funding. This includes delivering on of the largest Public Sector Decarbonisation schemes in the country, with a value of just under £19m that has reduced the council's corporate estate emissions by around 20%.*

*Service prioritisation has improved, with the corporate director for the programme now a corporate consultee on all committee papers. A new decision-making process is also due to go to cabinet on March 28 that will completely change the way climate and environmental considerations will be built into all Dorset Council decision making. This is accompanied at cabinet by a new natural environment, climate and ecology strategy, and an associated climate local position paper from the planning team. These are fundamental and, in some instances, nationally leading initiatives that will put Dorset Council in a very strong position moving forward to working towards our operational and facilitation roles.*

*The sustainability team follows the BEIS (now Department for Energy Security and Net Zero) methodology for measuring carbon emissions of the council. While there remain some data quality and access issues, a member of staff is now working on collating the required data strands to ensure that the ongoing measuring and monitoring is of the highest standards possible. This is a challenge that is not unique to Dorset, and the current way of measuring emissions is nationally recognised and adhered to.*

*Led by Dorset Council, a new Public Sector Decarbonisation and Ecology group is now in existence, which is working towards a unified governance structure to drive delivery across the public sector organisations within the county. Additionally, there is now regular engagement with town and parish councils (mostly focussed on those that have declared), and continued engagement with community groups such as Zero Carbon Dorset is ongoing.*

*The main areas of challenge remain in scope 3 emissions. Good progress has been made in discussions with procurement colleagues, but a greater level of work is still required to understand the supply chain impact throughout Dorset, how commissioning and procurement practices can change over time, and how engagement and education can help to drive change behaviours. Additional work is still required to understand some operational challenges in certain services, but this remains an ongoing focus.*

SWAP will be undertaking follow up work to validate the progress detailed above and will report outcomes to the July meeting.

### **Update on Premises related Health and Safety**

Since our last report, the Council has provided an update on progress towards implementation of some of the key concerns arising from the review work as follows:

*The Council has commissioned an independent report and review by Public Intelligence which is focused on the Council's position with regards to Corporate Landlord as this has yet to be rolled out. Each asset will be allocated a Responsible Officer and appropriate training will be implemented, with both being centrally recorded on Tech Forge. Until the full roll-out of this, each Dorset Council owned property asset has a property surveyor allocated to provide a custodian function in supporting the occupier/tenant.*

*A Dorset Council Asbestos Management policy has been established. Working in conjunction with an external specialist, a review of asbestos management surveys has been undertaken and missing surveys have*

## Executive Summary

*commenced. Since December, the Council has made good progress with the appointment of a new contractor to complete PAT testing.*

*A full review has now been completed identifying all statutory obligations currently fulfilled within service contracts. This has been quantified and is now monitored and reported monthly. Initial communications have started with some of the Council's highest risk tenants, including Care Dorset and Schools.*

SWAP will be undertaking a formal follow up review during June and will report the outcomes to the July Committee meeting.