

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING HELD ON MONDAY 15 APRIL 2024**

**Present:** Cllrs Richard Biggs (Chairman), Susan Cocking (Vice-Chairman), Pauline Batstone and Simon Christopher

**Co-opted Members:** R Ong and S Roach

**Present remotely:** Cllrs Belinda Bawden

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

David Bonner (Service Manager for Business Intelligence and Performance), Susan Dallison (Democratic Services Team Leader), Aidan Dunn (Executive Director - Corporate Development S151), Marc Eyre (Service Manager for Assurance), Angie Hooper (Principal Auditor SWAP), Heather Lappin (Head of Strategic Finance), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP), Paul Dempsey (Corporate Director - Care & Protection), Tim Hulme (Corporate Director of Assets and Regeneration) and Chris Swain (Risk Management and Reporting Officer)

**Also present remotely:** Ian Howse (Deloitte Audit and Assurance).

**76. Apologies**

An apology for absence was received from Cllr Goringe.

**77. Minutes**

The minutes of the meeting held on 25<sup>th</sup> March 2024 were confirmed and signed.

**78. Declarations of Interest**

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

**79. Public Participation**

There was no public participation.

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

There were no meetings held.

**81. Annual Governance Statement – 2023/24**

The Service Manager for Assurance introduced the report. The statement looked back on the previous 12 months covering the period 1st April 2023 through to the 31st of March 2024. The statement was supported by a local code of corporate governance. Past committees had requested that the format of the statement be made easier on the eye, and the statement was the first draft in this format. He noted that there was still work to be done on making the wording easier to read.

Mr Roach commented that he thought the slides in the associated text were helpful in terms of understanding how the principles were applied. On the detailed textured document, there were some areas of improvement that were included in the slides that were missing in sections A, B and G.

In response to questions from Mr Roach, the Executive Director Corporate Development informed that from an equality, diversity, and inclusion perspective there was a Draft Refreshed Plan which was due to be taken to a Scrutiny Committee months ago but at that particular stage the Department for Education was under consultation around transgender issues. The outcome of the policy was yet to be decided and when it had been decided the local policy and plan would be taken to an Overview Committee.

Mr Roach highlighted that it was important that the Committee truly understood what the extreme risks were and provide assurance over the quality of mitigation. It was agreed that the language used in the risk section was not currently clear. He requested that Audit and Governance Committee consider a future item on extreme risks setting out the strategy or action plan to properly address these risks.

Cllr Biggs agreed to the request and responded that for members that had been on the Committee for a while had seen presentations regarding extreme risks. In terms of the specific cyber risk, he advised that he had recently attended a cyber conference to fully understand the risks in order to challenge the owners of the risk.

**Noted.**

**82. Status Update Report to the Audit and Governance Committee on the 2021/22 Audit.**

Ian Howse updated the Committee on the 2021-22 Audit. He informed that the Audit was progressing well and there was an update to the valuation of the Pension Fund Liability. The Audit was at the stage of final queries resolved, then it would move to the review phase and the Audit could then be concluded on a timelier basis than previous Audits and begin to get back on track.

Following questions from the Committee regarding meeting the backstop date. Ian Howse responded that he was confident the targets would be hit for 21- 22 Audit. However, Audit 22-23 would be much more challenging on that timeline. Following conversations with the Section 151 Officer around how to hit these targets. He expressed a strong desire to not miss the deadline and to get accounts signed off

for the date. The meeting on Thursday would present more clarity on the timeline and what would be required, and he was aware of the Council's strong desire to not have a disclaimed opinion, which was one of Deloitte's priorities.

**Noted.**

### 83. **Report of Internal Audit Activity**

The Principal Auditor introduced the progress report. There had been two Limited Assurance Opinions issued since the last report. Children with a Disability and the RMMSCW Framework. Actions had been agreed which would be followed up in the normal way. With regards to the significant corporate risks for the Response to the Climate Emergency all three actions which were due at the end of April had already been completed and work was well underway to complete the remaining actions. For the Premises Health and Safety, whilst work was progressing on all outstanding actions, there was still some work to be done to close off all remaining actions.

Cllr Cocking referenced page 3 of the report - Children with Disability, the invoicing from the agreed care hours and the hours that the provider had invoiced for. She indicated that it was a great concern and asked for reassurance that appropriate new processes were in place to improve control. As some local authorities had suffered significant fraud, she enquired about actions being taken against care providers who were not recording hours correctly.

The Principal Auditor provided assurance that no fraud was found during testing and the service was implementing a new process in terms of checking invoicing.

The Corporate Director for Care and Protection also provided reassurance that all the actions that were recommended by the Audit had been completed and processes had been tightened up.

Mr Roach expressed concern around the completion of priority actions agreed by services with Internal Audit. He highlighted the importance of proper visibility and scrutiny of those actions that were not addressed in the timetables that were given. He asked Internal Audit to facilitate a process to enable members to fully understand what the actions and original dates were, whether it was acceptable to delay and what risk mitigation had been put in place whilst the delay was in place.

The Corporate Director for Assets and Regeneration in response to questions around the Premises Health & Safety actions indicated that in terms of an overall approach to Corporate Landlord there had been a slight shift. He was happy to give an update to the next committee.

Cllr Christopher raised the issue of inequality of provision across the County of Dorset in relation to children with a disability and the risk of reputational damage to the Council.

The Corporate Director for Care and Protection responded that there were locality services of children with disability teams linking to locality provision and Family Hubs provisions were being developed.

**Noted.**

**84. Internal Audit Annual Opinion Report 2023/24**

The Principal Auditor explained that the Annual Report supported the Council's Annual Governance Statement. SWAP considered the balance of the 2023-24 Audit work and was able to offer a Reasonable Assurance Opinion in respect to the areas reviewed during the year as most were found to be adequately controlled and risks generally well managed. SWAP had undertaken work across each of the Council's Corporate Risk Themes and issued 10 Limited Assurance Opinions with none of these as a significant risk. The number of overdue Priority 1 and 2 actions had increased over the year, peaking at 30 in November but were now decreasing and currently standing at 23. For the third year running, there were no Audit actions that were risk accepted.

**Noted.**

**85. Approach to Internal Audit Planning 2024/25**

The Assistant Director for SWAP introduced the report which indicated that Audit Planning would continue on a rolling basis which allowed for a dynamic and responsive plan of Audit work. It was highlighted that members had access to SWAPs AuditBoard system and were able to access details of SWAP's plan of work at any point in time.

There had been a change to Internal Auditing Standards and a combined mandate and charter document would hopefully be brought to Committee for approval for the July meeting.

The Assistant Director for SWAP in response to questions asked about what the update to the New Charter would bring. She did not anticipate any significant changes to the charter. The key change would be for SWAP to have a mandate which would explain the purpose and objectives of Internal Audit. This would likely form a part of a subsection of the charter, but SWAP was waiting for further guidance and would bring the document to Committee for approval as soon as possible.

**Noted.**

**86. Risk Management Update**

The Risk Management and Reporting Officer introduced the report. At the time of the last Audit and Governance Committee 15<sup>th</sup> January the level of overdue risks was at 59%. At the time of authoring the report there was now a 90% level of compliance, with 10% overdue in risk register updates. This was achieved by collective engagement with risk owners, risk champions and business partners. Targeting chasing of overdue risk was to be focused on with officer support and coaching where needed to improve the levels of compliance.

Mr Roach commended that the dashboard was really good and useful for transparency and visibility. Overall, the percentage of overdue reviews had reduced. But the high risks were still a significant proportion. Place Services had 30 high risk, 60% overdue, Corporate Development had 21 high risk, 62% overdue and for Children Services 29% were overdue. He informed that those numbers did not sound as encouraging. For risk management, it was critically important that it was looked at in a prioritised way as there were so many risks to manage. The most important thing to do was to reduce extreme and high risks. He requested that the framework be adjusted to ensure prioritisation on the extreme and high risks, getting them under control, actions agreed and down to the target risk profile.

The Service Manager Business Intelligence and Performance in response added that the service had climbed a minor mountain getting to 90% compliance rate. The Risk manager and Reporting Officer would be attending monthly meetings with directors to look at risks.

The Executive Director Corporate Development responded to questions around overall financial risk and in relation to children services and education budgets. He informed that it was a tough and challenging time for government finance and finances needed to be actively managed and services needed to be reshaped. Spend levels for Children Services were bucking the trend and stable and had not experienced massive growth in cost like other local authorities. Which was attributed to the leadership and management team in children services. The Path Finder Project was helping the service to perform relatively well through early intervention and joined up partnership. Approach to investment revenue and capital was paying off. Adult Services were similar which provided grip and control since the Council was formed. With a similar approach to early intervention and investment in capacity. For the education budget, the high needs bloc was a significant risk financially. He was concerned about the continued academisation of schools and the financial implications on the Council as funding went straight from the government to the schools rather than to the Council. Which would impact the capacity to support and implications on overheads.

Cllr Cocking requested an update on the school on Portland Osprey Quay. The Executive Director Corporate Development responded that the school featured in the Safety Valve Agreement and planning assumption that SEND children would be receiving support at Osprey Quay. In terms of making it deliverable, it was in the hands of the Department for Education.

**Noted.**

## 87. **Sexual Harassment Policy**

The Director for Legal and Democratic introduced the report. He informed that the Council needed to have equivalent guidance on sexual harassment that officers received but for councillors. As the councillors were not employees and had a different status, the legal protections and duties did not apply in the same way as Councillors, but it was still important that the Council had an equivalent policy. The policy set out expectations around behaviour as Councillors but also practical guidance like what to do if a Councillor experiences or witness sexual harassment. A small minority of people could cause a lot of damage both individually to people and/or to the reputation of the organisation. The policy could also be used for the new councillor inductions.

Proposing Susan Cocking, seconded by Cllr Pauline Batstone.

On being put to a vote the amendment was CARRIED.

### **Recommendation to Full Council**

To Recommend that Full Council endorse the publication of Guidance to Councillors about the Council's Sexual Harassment Policy.

#### Reason for Decision

The Equality Act 2010 provides legal protections for workers from sexual harassment at work. The staff policy explains how the Council fulfils its legal obligations but does more than that and aims to enable a safe culture at work, free from sexual harassment.

Endorsement by the Audit and Governance Committee of guidance to councillors further strengthens this commitment and will enable the guidance to form part of the induction of councillors after elections in May 2024.

## 88. **Constitutional Update**

The Director for Legal and Democratic updated the Committee on two changes that had been made to the constitution.

The first related to Appendix 2 of the Officer Scheme of Delegation and the range of employment powers of different tiers of managers in the organisation. There had also been some changes in how employment powers were exercised in relation to different members of staff. The Council had adopted a new vacancy management protocol process in the form of a new E-Ploy system. This had a lot of advantages in terms of digital approval processes for employment decisions and enabled greater consistency and control over vacancies. Changes to the tier of managers had to be made so that they could make employment decisions.

The second also related to the Officer Scheme of Delegation, which included a list of proper officers who exercise particular statutory roles. One of these proper officer roles was the Caldicott Guardian, responding for the safeguarding of social care personal data held by the Council. Following the departure of a Children's

Services colleague who had held the role Julia Ingram, Corporate Director for Adult Social Care had been designated as Caldicott Guardian.

89. **Work Programme**

90. **Urgent items**

There were no urgent items.

91. **Exempt Business**

There was no exempt business.

**Duration of meeting:** 10.00 - 11.45 am

**Chairman**

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