

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING HELD ON MONDAY 8 JULY 2024**

**Present:** Cllrs Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Neil Eysenck, Alex Fuhrmann, Andrew Parry, Andy Todd, Ben Wilson,

Co-opted members Roger Ong and Simon Roach

**Apologies:** Cllrs Matt Bell and Jill Haynes

**Also present:** Cllr Richard Biggs, Cllr Simon Clifford and Cllr Nick Ireland

**Also present remotely:** Cllr Ryan Hope

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

Angela Hooper (Principal Auditor SWAP), Heather Lappin (Head of Strategic Finance), Hayley Caves (Member Development and Support Officer), Grace Evans (Head of Legal Services and Deputy Monitoring Officer), Tim Hulme (Corporate Director of Assets and Regeneration), Elaine Tibble (Senior Democratic Services Officer), Mike Garrity (Head of Planning) and Jessica Maskrey (Interim Head of Asset Strategy and Development)

**Present remotely:** Ian Howse (Deloitte) and Jackson Murray (Grant Thornton)

1. **Minutes**

The minutes of the meeting held on 15 April 2024 were confirmed and signed.

2. **Declarations of Interest**

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

3. **Public Participation**

There were no questions or statements from the public.

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

There had been no meetings of the Audit & Governance Sub-committee.

5. **Update on the 2021/22 & 2022/23 Accounts External Audit**

Ian Howse presented an update on Deloitte's 2021/2022 audit work which was progressing towards the end of September for the final accounts, due to significant backlogs with all local government audits across the country. They hoped to issue

a disclaimer on the 2022/2023 audit to enable Grant Thornton to continue on 2023/2024. However, due to the General Election prior to Deloitte being able to state their policy position after consultation, no legislation had made its way through Parliament, this now needed to be worked through with the new Government.

In response to a question asking when the information would be available in respect of controlled deficiencies, which had been highlighted in the previous two meetings, Ian Howse advised that the work would be included in the audit report when completed in September.

In response to concerns that requests for information were not being logged and actioned the following was agreed.

**ACTION:** To bring together the aspects of internal audit, external audit and audit committee actions to ensure follow up.

**Noted.**

#### 6. **Dorset Council Audit Plan Year Ending 31 March 2024**

Committee received a report from Jackson Murray of Grant Thornton.

He highlighted the key highlights of the Council's Audit Plan report for the year ending 31 March 2024 and the three significant risks therein.

Planning and interim work had been carried out in March to produce the plan and the detailed work had been started, although an opinion would not be forthcoming until the work of Deloitte had been completed to provide the information needed.

In response to committee questions relating to increased fees and the cost of the audit for Dorset, Jackson Murray advised that their work included an audit opinion on the financial statements, an auditors annual report including comments on value for money arrangements, presented in a timely manner. The key issue for this area of work was that there was a lack in supply in the market of auditors willing to work in this sector.

The Executive Director of Corporate Services and S151 Officer advised that in relation to the list of assumptions on page 32 on the agenda, the biggest risk was around the backstop and what Deloitte would be able to do around the 2023/2024 accounts. There was a large IT project ahead with a new finance system.

**Noted**

#### 7. **Dorset Pension Fund Audit Plan Year Ending 31 March 2024**

Jackson Murray presented the Dorset Pension Audit Plan.

He focused on the significant risks, hard to assess assets, property portfolio values, materiality levels, the audit timetable and the proposed fee of £90,591 for the audit.

**Noted.**

**8. Interim Auditor's Annual Report on Dorset Council 2023/24**

Jackson Murray presented the Interim Auditor's Annual Report, he explained that until the final year audit had been signed off he was unable to finalise the report

The report set out findings of their work, value for money arrangements and recommendations.

The Dedicated Schools Grant (DSG) was an area of weakness, however, this was a wider issue with a number of authorities experiencing the same problems, there were explanations and recommendations with the report.

The Executive Director of Corporate Services and S151 Officer emphasised this point for the benefit of the new members of the committee as something he had previously highlighted, this was something the council had taken seriously for a long time and had been working hard on the recommendations to address the issue.

**Noted**

**9. Draft Outturn Report 2023/24**

The Cabinet Member for Finance & Capital Strategy introduced the report which had been through Cabinet and was brought to Audit & Governance committee on a quarterly basis to allow the opportunity to further explore areas of interest. He thanked staff and senior managers involved before handing over to the Executive Director of Corporate Services and S151 Officer to summarise the contents.

Overall, the last financial year created an overspend of just under £1m = 0.3% of budget. The situation had deteriorated at quarter 3 but did improve in the last quarter of the year. There had been some significant service pressures over the year in some areas but those had been off-set in other areas and the capital budget had been re-profiled.

Responding to committee questions about the SEND home to school transport service pressures and overspend. The Executive Director of Corporate Services and S151 Officer advised that Cabinet had agreed to invest a further £12m into the budget, resulting in a budget that would anticipate next year's level of inflation and demand. A new procurement process was to be introduced this year to bring a more competitive pricing process which would be part of a comprehensive transformation project.

In response to a question around Gross without prejudice debts within the adult care sector and why some debts were over 365 days old, the Executive Director of Corporate Services and S151 Officer explained that while the council was not allowed to chase the debt he would take the question away and get a detailed response for the committee.

**Action:** The Executive Director of Corporate Services and S151 Officer to bring back explanation for the Gross without prejudice outstanding debt.

In response to a member concern that due to financial pressures there may be a two tier SEND travel service. The Executive Director of Corporate Services and S151 Officer advised that a specialist had been employed to look at existing and future needs and how expectations could be managed.

**Noted.**

#### 10. **Update on Effective Property Services (Corporate Landlord Model)**

With the aid of a powerpoint presentation The Corporate Director of Assets and Regeneration together with the Interim Head of Asset Strategy and Development updated the committee with the work that had been carried out and the new approach planned going forward.

In response to member questions The Interim Head of Asset Strategy and Development explained how services only used the space that was absolutely necessary and the importance of understanding the requirements of the specific services.

Additionally, a full utilisation survey of County Hall had been carried out in 2023 which had resulted in co-location talks with other sectors.

**Noted.**

#### 11. **Councillor Code of Conduct and Complaint Process**

The Director of Legal and Democratic Services and Monitoring Officer introduced the item and explained that the Audit & Governance committee had a wider responsibility than just audit as Dorset Council didn't have a Standards Committee.

The Head of Legal Services presented the report on the Councillor Code of Conduct and Complaint Process.

There were three recommendations in the report.

To:

1. Adopt the amendment to the Councillor Code of Conduct for Dorset Council, Table 2: Other Registrable Interests: "(d) Membership of other pressure groups, the Freemasons or other influential bodies of which you are a member."
2. Invite Dorset's Town and Parish Councils to consider adopting recommendation 1 above as an amendment to their Councillor Code of Conduct.
3. Adopt the proposed new arrangements for dealing with Code of Conduct complaints against Councillors.

Feedback had been taken into account from staff, Independent Persons involved in the complaints process and members of the hearing sub-committees.

The key changes at 1.4 of the report were addressed. Key officers involved had seen and commented on the proposals.

The Director of Legal and Democratic Services and Monitoring Officer gave feedback on three positive responses that had been received from the consultation with independent persons.

Cllr Flower referred to the importance of member ownership and the importance of understanding what committee were being asked to consider. He wanted the opportunity to scrutinise the report in further detail.

Cllr Flower proposed, Cllr Parry seconded:

**DECISION:** To set up a task and finish group through the Chair to scrutinise in further detail and fully understand the Code of Conduct and complaint process.

And bring back to the Audit & Governance Committee as expediently as possible.

## 12. **Enhanced DBS Checks for Councillor's**

The Director of Legal and Democratic Services and Monitoring Officer introduced the report. He highlighted the responsibility and oversight that all Dorset Councillors had over people-based services, in particular children and vulnerable adults and for that reason the move to voluntary enhanced DBS checking had been advised.

All Dorset Councillors had voluntarily completed enhanced DBS applications. There were just three outstanding checks for which the certificates had not yet come through.

The policy sought to establish a process to deal with any concerns that arose from the DBS checks and who would be authorised to receive that information. In the case of councillors, those authorised would include the Monitoring Officer, the relevant Political Group Leader, the Chief Executive, relevant Executive Director and in a case involving potential children's safeguarding concerns the Local Authority Designated Officer known as the LADO.

In response to a member question, the Director of Legal and Democratic Services and Monitoring Officer advised that in the case of an independent member the Monitoring Officer would liaise with the member with regard to speaking to the Chair of Council

**Decision: That the Committee recommends to the Full Council adoption of the Disclosure and Barring Service Checks for Councillors Policy**

## 13. **Planning and Licensing Committees**

The Director of Legal and Democratic Services and Monitoring Officer presented the report to consider the proposed amendments to the Officer Scheme of Delegation for referring planning applications to the planning committees. Also, to recommend to full council the renaming of the Licensing Committee as the

Licensing and Gambling Acts Committee and create a separate General Licensing Committee with the same members.

The Head of Planning addressed the committee with regard to recommendation 2 within the report and the potential increase in applications that would go to the planning committees. It was suggested and supported by the Director of Legal and Democratic Services and Monitoring Officer that this recommendation was excluded and taken away for further thought.

Members made comments regarding the aging aspects of local plans, the cost implications of additional pressure on committees and officer time and were in agreement to set recommendation 2 aside. It was felt that the number of trivial applications on council land that came to committee was a waste of resources, although others considered it was important for transparency.

Cllr Flower put forward a proposal that the recommendations (with the exception of no. 2), be recommended to Full Council subject to the deletion of “in consultation with the relevant ward members” (P172 of the agenda) as this was duplication.

**Decision:**

1. That Full Council is asked to amend the Officer Scheme of Delegation in the Constitution to change the process for determining which planning applications are referred to the planning committees (as shown with tracked changes in Appendix 1);
2. That Full Council is asked to amend the Protocol for Members and Officers on Planning Procedures in the Constitution by amending paragraph 8.2 as set out Appendix 1;
3. That any changes to the Officer Scheme of Delegation take effect on 25 July 2024;
4. That Full Council agrees to amend the Constitution by renaming the Licensing Committee as the Licensing and Gambling Acts Committee, creating a separate General Licensing Committee and substituting Articles 8.28 and 8.29 of the Constitution with new Articles 8.28-8.31 as set out in Appendix 2;
5. That the Chair, Vice-Chair and other Members of the Licensing and Gambling Acts Committee are also appointed to the General Licensing Committee;
6. That sub-committees of the two licensing committees can be formed as and when needed from the membership of the relevant licensing committee.

14. **Work Programme**

**Action:** Request risk management update as a small number of extreme risks and mitigation plans had not been easy to understand.  
Request deep dive on those extreme risks in the audit committee.

**Noted.**

15. **Urgent items**

There were no urgent items.

16. **Exempt Business**

There was no exempt business.

**Duration of meeting:** 6.30 - 8.36 pm

**Chairman**

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