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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 30 JUNE 2025

Present: Cllrs Gary Suttle (Chair), Belinda Bawden, Neil Eysenck, Andrew Parry, Andy Todd, and Beryl Ezzard.

Co-opte Members: R Ong and S Roach

Officers present (for all or part of the meeting):
Sam Crowe (Interim Chief Executive), Sean Cremer (Corporate Director for Finance and Commercial), Susan Dallison (Democratic Services Team Leader), Marc Eyre (Service Manager for Assurance), Richard Ironside (Senior Accountant), 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), Lisa Cotton (Corporate Director for Customer and Cultural Services) and David Wilkes (Service Manager for Treasury and Investments)

Present remotely: Cllrs Chris Kippax and Cllr Clifford

Also Present: Cllr Shane Bartlett

110. **Apologies**

Apologies for absence were received from Cllrs Flower and Holloway.

111. **Minutes**

The minutes of the meeting held on 2nd June 2025 were confirmed and signed.

112. **Declarations of Interest**

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

113. **Public Participation**

There was no public participation.

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

No meetings held.

115. **Swap Investigation Report**

The Committee agreed the recommendation to have a reconvened meeting to consider the SWAP Investigation report on the 7th July 2025 so that it could be taken as the Committee's single item of business at that meeting.

Decision: To have a reconvened meeting on the 7th July 2025 so that the SWAP Investigation Report could be taken as the Committee's single item of business.

116. **Our Future Council Update: Governance and Risk**

The Corporate Director for Transformation, Customer and Culture went through the Councils financial challenges and in response launched Our Future Council, which was a bold, whole Council transformation programme designed to modernise how we work, improve customer experience and ensure long term financial sustainability by reducing duplication making better use of technology and digital solutions. She covered the transformation plan which outlined how the Council manages Our Future Council Programme.

Mr Roach asked given our experience of the directorates falling short and criticalities of the program, what are you doing to manage the risks and are they getting stretched targets? For transformation for end customers, technology making part of transformation and technical solutions, how will the council deal with the challenges of a high elderly population of Dorset residents and how are you engaging with those end users?

The Executive Director Corporate Development informed that first of all risks were changing the way the organisation was organised and there was an ongoing restructure to seek economies of scale as part of our future council to bring together to a strategic centre. In terms of managing resources, he referenced pg 407, and the organisation was being viewed as one single council, as opposed to directorate-by-directorate basis. Decisions were being made about resources, the councils' priorities, third element financial saving targets, efficiencies across the council, green boxes and directorate savings targets. A crucial element was how do we make sure we have sufficient resources to enable that we have enough resources, to enable all those directorates. The Council needed to operate more efficiently and to prioritised decisions from a council perspective rather than a directorate basis. Technology investment was about making the organisation more efficient and would not necessarily impact residents.

The Corporate Director transformation, customer and culture responded to Simon Roaches question about technology and elderly residents. She was very aware of the demographics and there was a customer strategy to ensure customers were supported, where they need that help, support design, user adoption and building safe spaces in libraries and offering a telephone service. There would also be streamlining using the best and most advanced technologies.

Noted.

117. **Draft Annual Governance Statement – 2024/25**

The Service Manager for Assurance introduced the report which looked back over the 2024-25 financial year. He would have ordinarily presented a draft document for comment and observations, but this was moved from agenda for the ongoing SWAP investigation which could impact significantly on the level of assurance provided. The wording in the annual governance statement was reviewed and updated within the context of those investigations and in terms of the SWAP Annual Audit Opinion. The action plan reflected the work being done to respond to the outcomes of the investigations.

Noted.

118. **Draft Outturn Report 2024/25**

The Corporate Director Finance and Commercial introduced the report. He went through the main headlines. There had been a 6.7 million overspend at the end of 2024-25 financial year and an improvement from the Q3 paper of £4.1 million and a reduction to the amount of reserves that were required to balance the position. Within that net position a service overspend of just under £10 million and Our Future Council savings of £8.6 million and an underspend within central budgets of £11.9 million. The Dedicated School Grant 2024-25 overspent by £37 million pounds and remained the single biggest risk to the organisation. Section 12 discussed the capital programme totalling £551 million of which spent £90 million for 2024-25 and significant reprofiling took place. Debt figures were stable and there was an increase in collection of historical debt.

Noted.

119. **Financial Statements for the Year Ended 31 March 2025 - Dorset Council and Dorset Pension Fund**

The Corporate Director Finance and Commercial introduced the report which formed the auditors risk assessment for 2025 statements. The report has been brought to the Committee for awareness of the risks identified by officers and to ensure that members of this Committee were cited on the clear communication between officers and auditors.

Noted.

120. **Informing the 2024/25 Risk Assessment – Dorset Council and Dorset Pension Fund**

The Corporate Director Finance and Commercial introduced the report. The report covered the questions received from Grant Thornton and the responses from Dorset Council officers and formed the risk assessment for the 2024/25 statements.

Noted.

121. **2024/25 Grant Thornton Audit Plans – Dorset Council and Dorset Pension Fund**

Julie Masci Audit Director from Grant Thornton and Sam Harding Audit Manager at Grant Thornton introduced the report for the 2024/25 Audit. She highlighted the key areas of focus throughout the Audit. She referenced pg 325 in which significant risk areas were set out and was similar to last year. Key significant risks related to land and building valuation and net defined benefit liability.

Noted.

122. **Work Programme**

No Comments.

123. **Urgent items**

There were no urgent items.

124. **Exempt Business**

There was no exempt business.

Duration of meeting: 18:30 – 20:00.

Chairman

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