Dorset Council

Report of Internal Audit Activity

Progress Report 2025/26 – December 2025

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: 07820 312469
sally.white@swapaudit.co.uk

Sophie Blackburn Principal Auditor
Tel: 07951 245945
sophie.blackburn@swapaudit.co.uk

SWAP is an internal audit partnership covering 27 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 update report reflects activity up to the close of Quarter 3 for 2025/26.

Our live Rolling Plan dashboard available through our audit management system AuditBoard AuditBoard | Login (auditboardapp.com), and specifically the Audit Coverage (*located on the first tab of the dashboard or on page 3 of this report*), reflects the outcomes of recently completed reviews. Based on these reviews, we recognise that, in general, risks are well managed. However, we have identified some gaps, weaknesses and areas of non-compliance. Due to recent Committee involvement and support from the Council's Insight and Performance team to enable the Council to take greater ownership of audit actions, we have an increasing level of confidence that the agreed actions will be implemented to address these issues.

Due to the significant concerns that were highlighted within the annual opinion for 2024/25 we continue to offer a **Limited** opinion until we are able validate that these areas of significant concern have been resolved. There is now a clear action plan, further details of which are on page 2 below, which will enable these significant areas of risk to be mitigated, and we will be monitoring the implementation of these actions and reporting back to Committee in due course.

Since our last report in October 2025, we have issued two **Limited** assurance opinions for 'Family Hubs Programme Phase 1' and 'Data Maturity'. The one-page reports can be found on pages 7 and 8, respectively.

Executive Summary

Significant Corporate Risks

Update on Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation
The second follow-up is now complete with only one action outstanding. Officers continue to consider options for the Comensura arrangement from April 2026. The paper for SLT and Cabinet is expected in the new year. The follow-up report can be found on page 9.

Update on Investigation (Building Compliance) Action Plan
The final action plan was confirmed on 02.12.2025, comprising 35 actions: six Priority 1's and 29 Priority 2's. The latest remediation date is set for 31.05.2026, and two Priority 2 actions have already been completed.

We will continue to conduct periodic follow-ups and monitor implementation progress. While significant progress is still required to achieve substantial risk mitigation, officer engagement remains positive, and the Director of Public Health is actively supporting this work.

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.

SWAP Internal Audit Plan Coverage

Table 1 below presents our audit coverage mapped against the Authority's **Principal Risks**, introduced in May 2025.Further detail can be found using our audit management system, AuditBoard AuditBoard | Login (auditboardapp.com). Since May 2025, we have made progress toward achieving coverage of the new principal risks, ensuring that each has received at least some level of review. The non-opinion audits represent advisory work rather than assurance engagements. To view the audits that make up the coverage, log into AuditBoard, right-click on a coverage cell, select "drill through", and then choose "audit details".

Table 1 – as at 09.12.2025

Principal Risk (Hover over new Principal Risks to see a definition)	Coverage	Average Opinion
Commercial	Some	Non Opinion Audits
Data and Information Management	Some	Limited
Finance	Adequate	Reasonable
Legal	Adequate	Reasonable
Operations	Good	Reasonable
People	Some	Non Opinion Audits
Project / programme	Some	Non Opinion Audits
Property	Some	Non Opinion Audits
Reputation	Adequate	Reasonable
Security	Some	Reasonable
Technology	Some	Reasonable

Coverage	Description
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In Progress	Some aspects of audit coverage in progress
None	No audit coverage to date

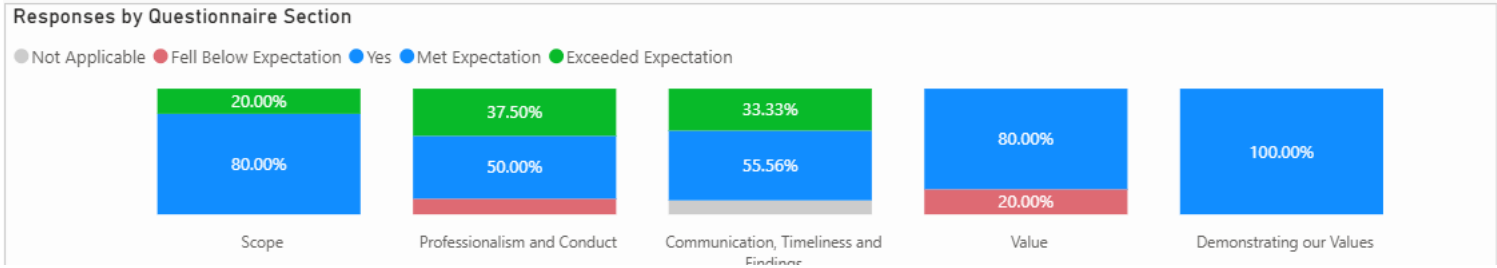
Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

We review our performance to ensure that our work meets our clients' expectations and that we are delivering value to the organisation.

SWAP Performance Measures

Performance scores from post audit questionnaires:

Scope	Professionalism and Conduct	Communication, Timeliness and Findings	Value	Demonstrating our Values
100%	90%	100%	80%	100%



Overall Score
95%

We monitor the Council's performance for implementation of agreed actions.

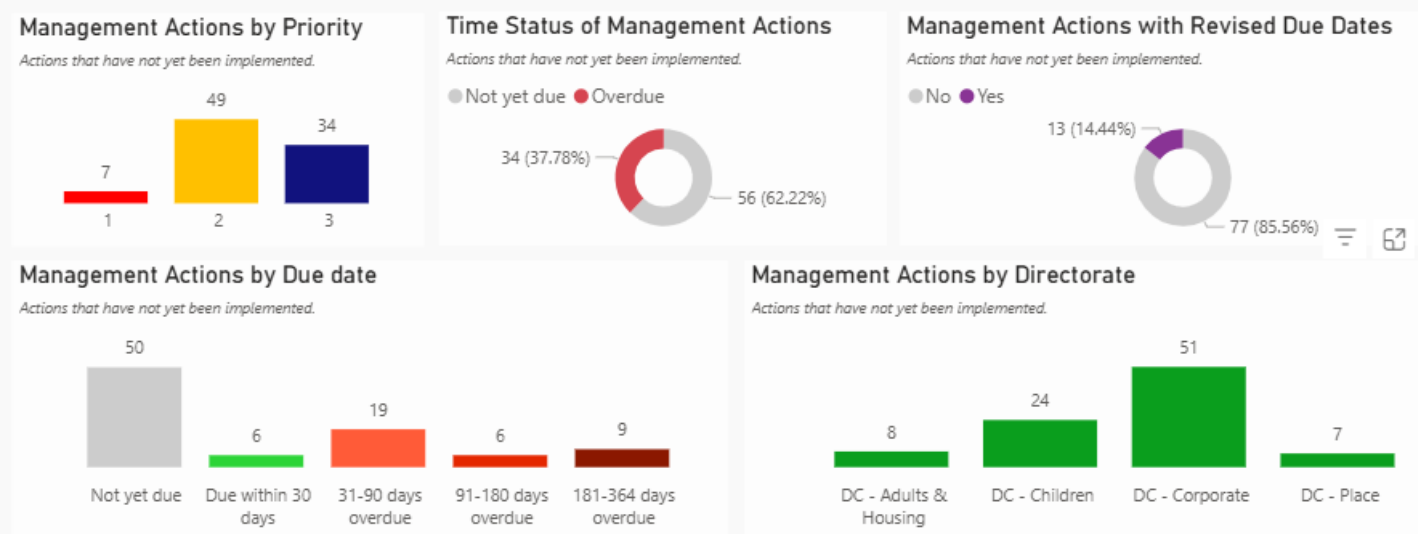
Outcomes from Follow-Up Audit Work

The graphic below provides an analysis of overdue priority 1, 2 and 3 actions. There are 90 actions that have yet to be implemented, 34 of which are currently overdue.

Both the number of overdue actions and those not due but with revised timescales remain high. To support this, we have developed a process with the Councils Business Insight and Performance team to strengthen oversight of actions, with the aim of reducing overdue actions and to foster engagement and accountability across directorates. The separate agenda item, 'Audit Action Update', lists both overdue actions and those with one or more revised implementation dates.

Additional information is available in the Management Actions tab of the SWAP Executive dashboard, which can be accessed via this link: AuditBoard | Login (auditboardapp.com)

Table - as at 09.12.2025



Added Value

'Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.'

Added Value

Cifas

The use of the Cifas data sharing service continues to deliver benefits in the prevention and detection of fraud. Previously agreed areas are still being routinely checked against the database, with matches identified and appropriate action taken where necessary.

Questionnaire Responses

As part of the Data Maturity audit, we collated all directorate responses to 'assess compliance with the Information Governance and Data Protection policy regarding the requirement of annual reviews of information assets by Information Asset Owners (IAOs). Along with informing our overall findings, this information was provided as an appendix to support further insight by officers.

Newsletters and updates

SWAP regularly produces a newsletter and other relevant updates for partners, including fraud bulletins. These communications highlight topical issues and provide useful information to support awareness and risk mitigation.

Family Hubs Programme Phase 1 – Final Report – October 2025

Audit Objective To assess whether the council's asset-based community approach to Family Hubs supports their long-term sustainability beyond the funding period.

Executive Summary

Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	2
Priority 3	0
Total	2

Organisational Risk Assessment Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.

Key Conclusions

The Family Hub Sustainability Report highlighted current cost estimates per hub and a proposed flat rate funding model per hub. The application form and associated delivery plan noted plans to sustain the model beyond the Department for Education (DfE) funding period (2028-29), however specific cost projections for the post-DfE period are not detailed. There is also no clear timeline or breakdown of future funding.

There are some key financial risks include rising costs, reliance on grants, and uncertainty over long-term partner commitment, as highlighted within the Family Hub Sustainability Report and other documentation. While escalation routes exist, the absence of a formal contingency plan limits assurance on how core services would be sustained if funding were reduced.

Review of a needs analysis report confirmed community priorities for Family Hub services. The chosen asset-based model aligns with wider strategies such as the Children, Young People and Families plan, Library strategy and Children commissioning strategy and is supported by a clear business plan and strategic review of available buildings.

There is clear governance and guidance in place, ensuring integrated and accessible Family Hub services. Workforce planning and training are progressing well, supported by multi-agency collaboration and shared responsibility across partners. The model's success depends on this collective commitment to developing staff and delivering joined-up support for families.

Roles and responsibilities for the Family Hub model are clearly defined and communicated through formal documentation and governance forums, with a shared vision aligned to Dorset's Thrive Model and the national framework. Partners from health, education, VCS (voluntary, community, social), and the council are actively engaged in strategic direction, funding discussions, and service co-design.

Audit Scope

The audit assessed the strategic model underpinning the programme, with a focus on its contribution to long-term sustainability and resilience within the community. The following areas were covered:

- The rationale and strategic intent behind the chosen model.
- Strengths and challenges in the delivery approach.
- How learning is being captured and used to inform future delivery.
- Role and engagement of collaborative partners in future sustainability.
- Financial resilience plans for the long-term sustainability of the family hubs.

Next Steps

The "Findings & Action Plan" which accompanies this report includes details of the agreed management actions, which once completed, will enhance the control environment.

Data Maturity – Final Report – December 2025

Audit Objective

Evaluate the maturity of data management practices within Dorset Council, focusing on data governance, data integration, and the effective use of data for decision-making. The audit will aim to identify areas for improvement and ensure alignment with best practices to optimise data-driven outcomes.

Executive Summary

Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	10
Priority 3	0
Total	10

Organisational Risk Assessment — Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.

Key Conclusions

- Whilst an overview of data maturity would be within the remit of the Strategic Information Governance Board, there is no designated role or team responsible for championing data governance or enforcing accountability among Information Asset Owners (IAOs). It is recommended to establish a Chief Data Officer role to lead governance, ensure accountability, and oversee data quality monitoring.
- Information Asset Owners (IAOs) are required to keep the Information Asset Register (IAR) accurate, but testing found review and updates are inconsistent, with significant gaps in the number of assets recorded. Measurable KPIs and an automated notification system could improve compliance.
- The Council does not maintain a comprehensive record of all systems containing data, preventing reconciliation with the IAR. Testing revealed inconsistencies between IAOs and asset records, hindering accurate monitoring.
- Approximately 36,000 paper records await retention decisions, with 44% linked to a longstanding backlog. Retention and deletion processes vary across the organisation. Successful implementation of review proposals requires active engagement from IAOs and service teams, supported by adequate resources.
- Existing IAO resources are not mandatory and remain underused. There is no formal data literacy or quality training, increasing the risk of poor data integrity.
- There is a clear commitment and positive sentiment within the Council to mature data governance practices. Senior leadership and service teams have expressed support for improving data quality and accountability.

Audit Scope

We utilised and reviewed:

- Previous Data work completed by the BI & Performance Service Manager and assessed the progress since, evaluated data processing, integration, and interoperability between systems, scalability and security of data infrastructure, and advanced analytics capabilities such as predictive modelling and AI.
- Data Maturity Assessment for Government, to understand and identify strengths and weaknesses in the organisation's data ecosystem. Checked the existence and effectiveness of policies and frameworks concerning data maturity.

Scope limitation:

- Unable to test accuracy and validity of data records to source documents, completeness of critical information, validation controls and data quality monitoring mechanisms due to current lack of accountability and oversight in the system.

Other Relevant Information

Several outstanding policies require updates, but this is a known issue, and a schedule has been established to review policies and implement standardised version control.
A questionnaire was distributed to IAO's to gain information on the data culture. Consolidated responses are available with the 'Data Maturity Questionnaire – Appendix 1'.
The 'Findings & Action Plan' which accompanies this report includes details of the management actions.
We plan to revisit this area in around two years, to assess the effectiveness of action outcomes on the establishment of a robust data environment.

Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation – Follow Up Two
Final Report - December 2025

Follow Up Audit Objective	To provide assurance that agreed actions to mitigate against risk exposure identified within the 2025/26 Limited opinion audit of the Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation report have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	2	0	0	2
Priority 2	13	1	0	14
Priority 3	0	0	0	0
Total	15	1	0	16

Follow Up Assessment

The original audit was completed and reported in May 2025 and received a Limited assurance opinion. The first follow up audit found that ten of the sixteen actions had been completed. This second follow up has found that five of those actions have been completed, leaving just one remaining.

Follow Up Scope

Testing has been performed in relation to all actions and supporting evidence obtained to support implementation of actions.

Key Findings

The current Comensura contract is in place until April 2026, with available extensions under consideration and a paper expected to be submitted to SLT and Cabinet in the new year.

Following the audit the Council set up a working group which consisted of senior officers from Finance, Legal and Commercial & Procurement. The working group have been working through their action plan to ensure actions are implemented in a timely manner. Senior Leadership Team have approved some revisions to the Scheme of Delegation, and this was received and approved by Full Council on the 23rd October.

Monthly management information reports from Comensura are being circulated with compliance to approved processes being monitored by the Commercial & Procurement Team. These have been strengthened to also includes the date of a budget increase and the approver and these are being monitored with non compliance escalated to the S151 Officer.

Further Follow-Up Required/Next Steps

Further details of actions can be found in Appendix 1. A summary of the key findings from our review will be presented to the Audit and Governance Committee on 12th January 2026. Further follow up will be undertaken for the one remaining action and will be reported to the Audit and Governance Committee in April.