AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 23 FEBRUARY 2026

Present: Cllrs Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andrew Parry, Andy Todd, Beryl Ezzard, Ryan Holloway and R Ong

Present remotely: Cllrs Chris Kippax

Apologies: S Roach

Officers present (for all or part of the meeting):
Sean Cremer (Director - Resources (Section 151 Officer)), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP), Louis Wicks (Democratic Services Officer Apprentice), Lisa Cotton (Interim Executive Director - Whole Council Modernisation and Customer Delivery), Hannah Brown (Service Manager (Finance)), Julie Masci (The Engagement Leader Grant Thornton) and James Ailward (Head of ICT Operations), Sam Harding (Senior Manager Grant Thornton), and Nina Coakley (Head of Transformation and Design).

186. **Apologies**

Apologies were received from Simon Roach. Cllr Kippax attended online.

187. **Minutes**

The minutes of the meeting held on the 12th January 2026 were confirmed and signed.

188. **Audit and Governance Action Tracker**

The Cabinet Member for Finance and Capital Strategy provided an update. There was a reference group held over the past several months and was felt that it was time to end. Thanks were given to the officers and members of the group for their contributions and was largely satisfied with the direction of systems and procedures. There was a concern about the risk approach and there was an opportunity to use a draw down contract for renewal as a test case which would be useful to try and work out what they had in place and if it was strong enough. There were concerns about contract management which they had asked the officers to go back and check to make sure the systems were robust.

The Vice Chair, Cllr Spencer Flower, concurred and added that the support from officers had been excellent and believed they had done the job that the group was set up to do.

The Corporate Director for Finance and Commercial introduced a number of items that had draft answers which would be circulated to members and brought back to the next meeting.

189. **Declarations of Interest**

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

190. **Public Participation**

There were no questions from the public.

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

No sub-committee meetings had been held.

192. **Our Future Council Progress Report**

The Head of Transformation and Design introduced the report. Since the last update the program remained stable but had made improvements to clarifying roles and to areas of concern. They had taken a phased approach to organisational change to ensure they were safe and controlled.
Governance had a clearer member led oversight on the changes involving Cabinet setting the direction, Audit & Governance providing scrutiny of risk and governance maturity, and Place and Resource Scrutiny checked accountability and a cross-party member steering group which was internally supported by a programme board to oversee delivery, risks, issues and benefits. Over the past 6 months they had refined the reporting cycle and the next update would come to cabinet in April.

Workforce risk had been reduced following the launch of the transformation management office and the customer and business support hubs. These services were bedding in well but there was remaining pressure as teams adjusted and processes stabilised. Risk was being mitigated by bringing together the roots that we were asking customers to contact us through and actively reducing duplication of tasks.
Technology risk around the new HR and finance system was still high but were in a position where it was far more understood through the strengthening of specialist roles and introduction of new ones in support. There would be further updates on governance in future reports for these systems.
The financial risk remained high, for 25/26 £6.7m of the £10m target was forecasted for delivery, but there was still some remaining low confidence in relation to third party spend reduction. For 26/27 the delivery plans relied on timely service changes to make sure the workforce was tracked accurately and was critical that momentum was maintained by being strengthened through dependency tracking being tighter and better managed.

Queries were raised such as additional assurance around data assurance, sequence of technology change. A lot of work to adopt sector led working being learned from other organisations rather than redesigning. Managing automation pilots had tight governance surrounding it and had ethics and morals around how automation was used. Migration of legacy content had enabled moving forward in the management of data with a rolling deletion policy to make sure only needed information was kept.

Councillor questions:

- Data migration was working well with officers to make sure they were aligned.
- Very used to organisations going through IT migrations so Grant Thornton will make sure they are able to work with the system.
- The Transformation Board asked for a list of the activities that would save us money and whether each of those activities was on track. It was asked that only exception reporting was brought forward, if the report was on track, then leave it alone but bring forward the ones that are not on track.

The report was noted.

193. **Annual Accounts and Audit 2024/25**

The Corporate Director for Finance and Commercial introduced the report. Scope for this was Dorset Council and the Dorset Council Pension Fund. The report showed that the Council was effectively hindered by the backstop arrangements and the maximum opinion in insurance was hampered. Therefore, the opinion on the closing balance carried forward to the following year, but this would be the last year the backstop lingered in the accounts. Views from Grant Thornton would lead to a clean bill of health; there were hundreds of pages of detail regarding findings and continuing to identify improvements which were welcomed.

The Engagement Leader from Grant Thornton introduced the documents. The documents regarding Dorset Council and Dorset Pension fund were brought up to date. A verbal update was brought at the last meeting regarding an additional paper and had been incorporated into the final report.

Appendix 4 and 6 included the letter of representation which was signed by senior management to make sure that all information had been disclosed to the auditor and covered areas such as fraud.

Dorset Council's audit, appendix 1, had been presented at the last meeting but there were 3 key areas highlighted to be finalised. The first was around final work regarding concluding council leases. Big changes last year in authorities leasing standards which effectively brought on additional leases not previously held by the Council. Valuation of the Council's property assets had been taken to an external professional valuer with an expectation to take very different assumptions which could lead to sizable swings in the balance, but additional levels of scrutiny with additional expertise were being used. In relation to the health and safety investigation there had been a meeting with the Police to gain a helpful update, allowing additional work to be completed. The council valued property every 5 years so this was not subject to the value of the current year and would take a while before some property came back around for valuation. There would be discussion with colleagues on what the period of recovery would look like to get there as soon as possible.

Decision: The Committee agreed and noted the recommendations as set out in the report.

Reasons for Decision:
In accordance with the national backstop deadline of 27 February 2026 for the completion of the 2024/25 audit, the Committee was asked to approve the recommendations which provided a disclaimer of opinion on the financial statements for 2024/25.

194. **Period 9 Financial Management Report 2025/26**

The Corporate Director for Finance and Commercial introduced the report. The report covered the revenue budget capital, debt management and other financial management. The revenue forecast was at £4.4m overspend which resulted in an £866,000 improvement. The table on page 330 of the agenda broke down the movement within the directorates, Adults and Housing were seeing a high level of demand which was offset by some improvement in the Children's directorate and in the Place directorate. The position was improving going into Q3.

Answers to Cllr Questions:

- Do tend to see the large overspend forecasts in Q1 and Q2 as pressure comes through, there had been opportunities to hold back discretionary spend from other directorates. To take a more sustainable way forwards started with the budget set at the beginning of the year, effectively how many services people received from the council for how long continued to build pressure. Took decisions out the Q1 position around holding vacancies and restricting non-essential spending, setting out that the control measure would remain in place until such a time at which they could be released. Already looking toward to the 27/28 budgeting process to make sure there is a certain degree of funding.

The committee noted the report.

195. **Work Programme**

The work programme was noted by the committee.

196. **Urgent items**

There were no urgent items.

197. **Exempt Business**

Proposed by Cllr Spencer Flower, seconded by Cllr Ryan Holloway.

Decision:

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

Report of Internal Audit Activity - ICT Assurance Mapping - February 2026

The committee noted a report on ICT Assurance Mapping.

Duration of meeting: 6.30 - 7.19 pm

Chairman

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