# Audit & Governance Committee

**29 June 2026**

# Audit actions update report

## For Review and Consultation

**Cabinet Member:**
Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

**Local Councillor(s): All**

**Senior Leadership Team:**
S Ford - Assistant Chief Executive / J Mair – Director of Assurance & Governance

**Report author and job title:** Chris Heighway, Strategic Performance & Risk Lead
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**Statutory Authority: N/A**

**Report status:** Public Choose an item.

**1. Executive summary**

1.1 This report provides the Audit & Governance Committee with an overview of performance relating to South West Audit Partnership (SWAP) audits and associated actions.

1.2 It presents an update on progress made since the last committee report in April 2026, including actions completed, actions still outstanding and those overdue.

1.3 All audits and actions are aligned to the council's principal risks and are assessed using the council's risk scoring matrix, as defined within the Risk Management Framework. Each is assigned an inherent risk rating, reflecting the level of risk should no audit action be undertaken or mitigation be in place

1.4 Our approach places organisational risk at the heart of the committee's work. By using risk scoring to identify where the council faces its greatest exposure, we can focus attention on the actions that have the most significant impact on strengthening internal control and resilience. This ensures committee time is focused on the areas where timely intervention delivers the greatest benefit, supported by a clear and proportionate framework for addressing overdue actions.

1.5 Based on these risk assessments, and in line with direction from the committee's chairs, the key focus for this quarter is on the:

- Implementation of the SWAP Investigation Audit Action Plan

1.6 For this area, audit action activity has been collated to provide a clear and rounded narrative, supporting informed discussion and assurance by the committee.

## 2. Recommendations

2.1 That the committee:

- Notes the overall position in relation to the Investigation Action Plan audit, as set out in Appendix 1
- Notes the detailed update on the implementation of the Investigation Audit Action Plan, as the key focus for this reporting period.
- Identifies any priority thematic areas for future focus at the committee meeting on 12 October 2026, based on the audit position presented in Appendix 2.

## 3. Reason for the recommendations

3.1 The Audit & Governance Committee is responsible for providing independent assurance on the adequacy and effectiveness of the council's risk management framework, internal control environment, and financial reporting arrangements. The committee therefore requires timely, risk-based updates on audit activity to enable it to discharge its assurance role effectively and to maintain oversight of areas where organisational exposure is greatest.

3.2 The recommendations support the committee in fulfilling its constitutional function to promote and maintain high standards of governance and ensure that audit findings are managed in a transparent and accountable manner. By presenting audit progress through a structured, risk aligned approach, the report strengthens Members' ability to scrutinise internal control, identify weaknesses, and seek appropriate assurance from audit action owners.

## 4. The report

4.1 This report provides an update on the progress made in implementing actions arising from audits undertaken by South West Audit Partnership (SWAP). It sets out both the overall position across all audits, as well as a focused update on the SWAP Implementation of Investigation Action Plan Audit, which is the primary area of focus for this report.

4.2 The report therefore distinguishes between:

- The wider position on the completion and management of audit actions across the full audit portfolio; and
- The progress made against the specific Investigation Action Plan audit, which has been subject to enhanced scrutiny and targeted delivery.

**General update on the completion of audit actions**

4.3 Since the previous Audit & Governance Committee on 27 April 2026, a total of 35 actions (2 priority one, 23 priority two, and 10 priority three) have been completed. These actions relate to nine separate audits and span a broad range of risk areas.

4.4 There has also been significant progress in reducing the number of overdue actions across all audits. At the April 2026 Committee, 34 overdue actions were reported; at the time of reporting in June 2026, this has reduced to 18, representing a 47% reduction.

**Implementation of Investigation Action Plan Audit**

4.5 In relation to the SWAP Implementation of Investigation Action Plan Audit, the Council has made substantial progress since the last update. At the April 2026 Committee, 10 of 35 actions had been completed, with the majority of remaining actions scheduled for completion by 31 May 2026, and one action extended to 31 July 2026. Currently, 32 of the 35 actions are complete meaning three actions remain outstanding, of which two are overdue.

4.6 There are currently two overdue actions relating to officer declarations: one (Action ID:8028) concerning the introduction of a robust process for capturing declarations across the entire workforce, and the other (Action ID: 8119) relating to agency workers.

4.7 The implementation of a comprehensive approach to capturing declarations across the workforce is scheduled for launch in mid-July. The delay has largely been driven by the decision to integrate the declarations process into our existing ERP platform (DES), which has required significant system development and testing. This work has now been completed, and the technical solution is ready for deployment.

4.8 It is essential that the system is introduced alongside appropriate training and guidance. Training modules are currently being finalised, and supporting materials, including frequently asked questions and guidance documents, have been drafted and approved by the Senior Leadership Team. With the technical solution now complete, we have also commenced engagement with directorate leadership teams to ensure that local implementation is effectively led, supporting full compliance across the Council.

4.9 In relation to agency workers, onboarding guidance has been updated to strengthen references to our core policies, including the Code of Conduct. We have worked closely with colleagues at Connect2Dorset to ensure that this revised guidance is incorporated into their induction process for new agency workers. The updated guidance also highlights the requirement to declare any secondary employment, conflicts of interest, and gifts or hospitality. Its rollout has therefore been aligned with the launch of the officer declarations process for employees.

4.10 This report provides a focused spotlight on this audit, including the next steps required to ensure that the principles and improvements identified are fully embedded. This includes ongoing monitoring and assurance activity to confirm that actions have translated into sustained improvements across the organisation.

4.11 It is recognised that the effective response to an audit of this nature goes beyond the transactional completion of actions. While closing actions represents an important milestone, it does not in itself ensure lasting change. To fully realise the benefits of the audit, there must be a continued focus on embedding the underlying learning, behaviours and cultural expectations that support a strong and resilient control environment. This includes strengthening clarity of accountability, ensuring consistent application of policies and procedures, and promoting a proactive approach to identifying and managing risk.

4.12 As such, the council’s focus is now shifting from the completion of defined actions to embedding processes and the cultural changes required, ensuring that the improvements made are sustained, consistently applied, and capable of preventing recurrence. This requires a broader cultural shift, where learning is actively owned, reinforced through leadership, and reflected in day-to-day decision-making and behaviours across the organisation.

4.13 With most actions now delivered, the council’s focus has moved beyond completion and towards ensuring that learning is fully embedded and drives sustained improvement. The priority is no longer solely on responding to audit findings, but on strengthening how the organisation adapts, learns and evolves over time.

4.14 Progress since April has provided a stronger foundation to support this shift. Key enabling arrangements are now in place, including corporate oversight of organisational learning, dedicated transformation capacity to coordinate activity, and a more structured approach to evidencing and tracking progress.

4.15 Attention is now turning to how these foundations can be leveraged to support deeper, more systemic change. This reflects a growing emphasis on outcomes, specifically, how governance, processes and behaviours are collectively strengthened, rather than focusing purely on the completion of individual actions.

4.16 To support this, a framework for organisational learning is being developed in collaboration with the Senior Leadership Team. This centres on a draft theory of change, which sets out how improvements will be achieved and sustained across five key areas:

- Governance: enhancing clarity, accountability and effectiveness of decision-making arrangements
- Delivery practice: improving consistency and resilience across core operational processes
- Leadership: reinforcing expectations and visibility of leadership behaviours
- Capability: building knowledge and confidence through structured development and guidance
- Culture: embedding values through day-to-day behaviours, support and performance conversations

4.17 The next phase of work will translate this framework into a coordinated programme of activity, aligned with the council's wider transformation agenda and delivering against the organisational vision of delivering a modern, sustainable unitary council. The Senior Leadership Team has agreed to keep the longer term embedding of change on its agenda going forwards.

4.18 In the period ahead, activity will concentrate on:

- Refining and stress-testing the organisational learning framework
- Prioritising interventions that will have the greatest organisational impact
- Defining success measures that demonstrate tangible change

- Clarifying ownership at both strategic and operational levels
- Bringing together delivery plans, measures and milestones into a single, coherent programme.

4.19 This approach is intended to ensure that improvement is not only demonstrable, but also sustainable, with clear evidence that learning is being applied consistently across the organisation.

4.20 To support how we measure changes in behaviours, an employee survey has been commissioned, with survey responses gathered throughout May and June. These will be used to assess how our workforce feels the values and behaviours are being put into practice in the organisation. Pulse surveys will be used to test employees understanding of themes within the organisational learning framework. For example, whether training resources are reaching the right people, and whether there is adequate time for learning and development.

4.17 It will also be important to ask specific questions that join up employees' experiences of our response to the issues raised by the investigation, and current practice. For example, the introduction of spend controls, requiring the second level of authorisation at Corporate Director level for expenditure over £2,500, has both slowed expenditure and also allowed for greater oversight and understanding of invoicing processes which will lead to more aligned, strategic and considered processes moving forwards.

4.18 Work will continue throughout 2026, with a detailed delivery plan and approach to monitoring impact provided at a future committee.

**Future Reporting**

4.19 The next audit progress report will be brought to the committee on 12 October 2026

4.20 Future reporting will continue to adopt a thematic focus, driven by either:
- the inherent level of risk attached to an audit area, or
- specific direction from the Committee.

**5. Alternative options considered**

5.1 Not applicable. The report presents information on audit action performance and progression and does not recommend any change to council policy or new action.

## 6. Legal considerations

6.1 There are no legal implications arising directly from this report.

## 7. Financial implications

7.1 There are no financial legal implications arising directly from this report.

## 8. Natural environment, climate & ecology implications

8.1 The report does not have direct climate change implications.

## 9. Wellbeing and health implications

9.1 The report does not have direct wellbeing and health implications

## 10. Other implications

10.1 None.

## 11. Risk implications

11.1 Not applicable. The report presents information on audit progression and does not seek a decision.

## 12. Equalities

12.1 There are no direct equality, diversity or inclusion implications resulting from this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

## 13. Appendices

- **Appendix 1** provide a summary of actions relating to the Investigation Action Plan Audit
- **Appendix 2** provides a summative narrative of audits and actions

## 14. Background papers

- Risk Management Framework
- Audit and Governance Committee 12 January 2026
- Audit and Governance Committee 27 April 2026

## 15. Report sign-off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

## Appendices

### Appendix 1: Summary table of audit actions relating to the Investigation Action Plan audit

| Action ID | Finding Details | Priority | Action Owner | Target Date | Complete Yes / No? |
|---|---|---|---|---|---|
| 8121 | Conversion of Temporary Workers to Statement of Works / Professional Services Organisations | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8135 | "Training – Financial Regulations and Contract Procedure Rules | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Yes |
| 8134 | Interim Leavers | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8133 | "Direct Awards through the Comensura and c.net System | 2 - Important findings that need to be resolved by management | Richard Freed | 31/05/2026 | Yes |
| 8130 | "Periodic Proportionate Checks of Completeness through the Comensura System | 2 - Important findings that need to be resolved by management | Richard Freed | 31/05/2026 | Yes |
| 8129 | "Monitoring of Onboarding through Comensura | 2 - Important findings that need to be resolved by management | Richard Freed | 31/05/2026 | Yes |
| 8126 | "Procurement Involvement in Supplier Onboarding to Comensura | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Richard Freed, Sam Crowe | 31/05/2026 | Yes |

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|---|---|---|---|---|---|
| 8122 | Working Abroad | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8030 | Ownership and Oversight of Actions | 2 - Important findings that need to be resolved by management | Sam Crowe | 28/02/2026 | Yes |
| 8120 | Approval of Timesheets and Deviation to Working Patterns | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8119 | "Wider Acknowledgement and Signing up to Corporate Policies | 2 - Important findings that need to be resolved by management | Christopher Matthews, Richard Freed | 31/05/2026 | No |
| 8118 | Fee Structure for Interims | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8117 | Training on Recruitment | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8116 | Review of the Current Recruitment Arrangements | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/05/2026 | Yes |
| 8113 | Procurement and Decision Making Training | 2 - Important findings that need to be resolved by management | Richard Freed | 31/05/2026 | Yes |
| 8111 | Multiple Payments in Quick Succession in Comensura | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Yes |
| 8110 | Approval and Use of Reserves | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Sean Cremer | 31/05/2026 | Yes |

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| 8109 | Third Party Access to Comensura | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Richard Freed, Sean Cremer | 31/05/2026 | Yes |
| 8108 | Escalation and Non-Routine Spend | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Sean Cremer | 31/05/2026 | Yes |
| 8107 | Monthly Budget Monitoring | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Yes |
| 8106 | Links Between the Procurement Forward Plan and the Finance System | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Deadline 31/07/2026 |
| 8105 | Mandatory Budget Association | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Yes |
| 8104 | Funding of Non Business as Usual (BAU) Activity | 2 - Important findings that need to be resolved by management | Sean Cremer | 31/05/2026 | Yes |
| 8028 | Gifts and Hospitalities | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Jonathan Mair, Christopher Matthews | 31/05/2026 | No |
| 8027 | Monitoring of the Police Investigation | 2 - Important findings that need to be resolved by management | Grace Evans | 31/05/2026 | Yes |
| 8026 | Invoices from Company A – Possible Recovery | 2 - Important findings that need to be resolved by management | Grace Evans | 31/05/2026 | Yes |
| 8025 | Collaboration and Access to Key Documentation for Interim Staff across the Council | 2 - Important findings that need to be resolved by management | Christopher Matthews, Jan | 31/05/2026 | Yes |

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|---|---|---|---|---|---|
| | | | Britton, Jessica Maskrey | | |
| 8021 | Ongoing and Future Project Oversight | 2 - Important findings that need to be resolved by management | Jan Britton, Jessica Maskrey | 31/05/2026 | Yes |
| 8019 | Project Planning | 1 - Findings that are fundamental to the integrity of the service's business processes and require immediate attention of management | Jan Britton, Jessica Maskrey | 31/05/2026 | Yes |
| 8020 | Project and Programme Management | 2 - Important findings that need to be resolved by management | Jan Britton, Jessica Maskrey | 31/05/2026 | Yes |
| 8029 | Transitional Period Expenditure | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/03/2026 | Yes |
| 8031 | Nil Declaration of Interest | 2 - Important findings that need to be resolved by management | Sam Crowe | 28/02/2026 | Yes |
| 8124 | Existing Supplier Relationship with Company B and C | 2 - Important findings that need to be resolved by management | Grace Evans | 31/12/2025 | Yes |
| 8123 | Comensura Arrangements | 2 - Important findings that need to be resolved by management | Christopher Matthews | 31/12/2025 | Yes |
| 8132 | Wider Existing Supplier Relationships | 2 - Important findings that need to be resolved by management | Richard Freed, Grace Evans | 31/03/2026 | Yes |

## Appendix 2: Audit & Actions Update

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| Data Maturity | Data and Information Management | Open | 7 (0 Overdue) | 16 (High) | All actions remaining are in date and either underway or programmed.<br><br>This audit retains a high risk score due to the impact should the actions not be implemented.<br><br>The approach to delivery sits within the Council's established risk appetite approach of 'Open' with clear escalation routes to Operational Information Governance Group and Strategic Information Governance Group in place which includes SLT involvement. |
| Capital Programme Adequacy and Financing | Finance | Cautious | 2 (0 overdue) | 16 (High) | Actions remain in date and strong progress underway to achieve ahead of deadline in July. |
| Implementation of Investigation Action Plan | Legal | Cautious | 3 (2 overdue) | 12 (High) | Three actions remaining to be completed but strong progress across all three.<br><br>The two overdue actions are close to being completed with implementation planned across July, this will provide the final evidence required to demonstrate completion of the actions.<br><br>The final action remains in date with a due date of 31 July 2026. Work remains ongoing with confidence this will be completed by the deadline. |

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| Temporary Accommodation | Legal | Cautious | 3 (2 overdue) | 12 (High) | Three actions remain (2 priority 3 actions overdue). All actions are in progress and approaching completion with evidence being submitted to SWAP to demonstrate completion. |
| ICT Change Management | Technology | Eager | 2 (2 overdue) | 12 (High) | Actions remain outstanding and are planned to progress over the summer. ICT is now developing its service redesign in response to the recent operating model and leadership redesign, with implementation expected later in 2026 to ensure the service is well placed to enable delivery of a modern, sustainable unitary council.<br><br>This will include a workforce development programme aligned to recognised frameworks including ITIL and Digital, Data and Technology. Progress against cyber security assurance is continuing, with additional resource and external support in place to strengthen capacity and capability. |
| Governance of Financial Management in Schools | Finance | Cautious | 5 (2 overdue) | 9 (Medium) | Remaining actions progressing. Currently awaiting evidence from a number of schools in order to further actions.<br><br>Submission of school reports will facilitate a review of actions and evidence to support closure. |
| Safer Recruitment and Keeping Children Safe in Education | Legal | Cautious | 4 (0 overdue) | 9 (Medium) | This action was agreed in March 2026 and remains in planning phase. Work in progress to deliver against actions. |

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| Application of Fixed Penalty Notices in School Absence | Legal | Cautious | 2 (2 overdue) | 9 (Medium) | Two actions outstanding but action underway to review templates and agree statistics. Aim to complete within the next reporting quarter. |
| ICT Microsoft Purview | Technology | Eager | 3 (0 overdue) | 9 (Medium) | All actions in date and currently within the design phase. A focus was placed on Purview at the Strategic Information Governance Board in April, which set the strategic direction moving forward with completion of these actions. |
| Moving from Self-Funding to Council Funding | Finance | Cautious | 4 (0 overdue) | 9 (Medium) | New actions underway including system development and policy updates. Work to be scoped and developed to meet action deadlines. |
| Frontline Services Resource Management-Asset Use- Interim Report- April 2026 | Finance | Cautious | 2 (0 overdue) | 9 (Medium) | New audit in May 2026. |
| Children's Service Direct Payments- Final Report- January 2025 | Finance | Cautious | 3 (3 overdue) | 8 (Medium) | Evidence provided, awaiting case review element to close actions. |
| High Needs Block - Transaction and Case Review | Finance | Cautious | 1 (1 overdue) | 6 (Medium) | One remaining action outstanding, due to dependencies on the implementation and data quality validation of the new Synergy system. This system dependency acts as a mitigating factor, as the actions |

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| | | | | | cannot be meaningfully progressed until the data foundation is stabilised. |
| Frontline Services Resource Management - Timesheets | Finance | Cautious | 2 (0 overdue) | 6 (Medium) | The two remaining actions are progressing with action owners collating the evidence in order to request closure of actions. |
| DC Anti-Tax Evasion | Finance | Cautious | 1 (0 overdue) | 6 (Medium) | New audit in May 2026. |
| Subject Access Requests | Legal | Cautious | 2 (2 overdue) | 6 (Medium) | Progress is limited but mitigating factors are significant:<br>• Processes have been updated to reflect recommendations from counsel's opinion, following a data breach that prompted this audit work. Processes have also been clearly mapped. A refresh of the SARs policy remains outstanding, but the risk has been largely mitigated via the updated internal processes.<br>• Initial action dates were based on transformation timescales, as information compliance was originally in scope for year one Our Future Council transformation. Options suggested within the audit findings will again be fed into this years transformation scoping.<br>A more definitive update will be provided once any future transformation work has been scoped. |

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| | | | | | |
| Disclosure and Barring Service | Legal | Cautious | 4 (2 overdue) | 4 (Low) | Actions relate to strengthening service resilience but existing systems in place currently ensuring regulatory compliance which is reflected in the risk scoring. |
| Quality Assurance Process for Care Providers | Legal | Cautious | 2 (0 overdue) | 4 (Low) | Two new actions involving the development of a new reporting tool and data storage arrangements. Actions to be programmed in. |
| Voluntary Redundancy (VR) Audit | People | Open | 1 (0 overdue) | 2 (Low) | The lessons learned framework has not yet been developed but remains in design phase and action remains in date. |
| DC Continuous Key Controls Payroll 2025-26 | Finance | Cautious | 1 (0 overdue) | 2 (Low) | End of year processing has been prioritised and resourcing to complete this action will be ramped up following completion of end of year work.<br><br>The due date was deliberately set at 31 August 2026 to allow time to get through end of year, and for digital developments to be considered and formed so that this task is completed in a timely fashion. |
| Our Future Council Review Two | Finance | Cautious | 1 (0 overdue) | 1 (Low) | New audit in May 2026, one action due in October currently being reviewed. |
| Continuous Key Controls Revenues and Benefits 2025-26 May to October | Finance | Cautious | 1 (0 overdue) | 1 (Low) | New audit in May 2026, one action due in November. |

| Audit | Principal Risks | Risk Appetite | Outstanding Actions | Inherent Risk Score and Rating | Commentary |
|---|---|---|---|---|---|
| Accounts Payable Continuous Audit Q2 & Q3- Final Report- May 2026 | Finance | Cautious | 1 (0 overdue) | 1 (Low) | New audit in May 2026. |
| Children's Services Contracts & Homes Monitoring- Final Report- June 2026 | Legal | Cautious | 1 (0 overdue) | 1 (Low) | New audit in June 2026. |