

Dorset Local Enterprise Partnership

Overview and Scrutiny Policy

November 2023

1. Background

- 1.1. Dorset Local Enterprise Partnership (LEP) is committed to ensuring that clear governance arrangements and decision-making processes are in place which enable effective and meaningful engagement with local partners and the public.
- 1.2. Dorset LEP is committed to operating transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.
- 1.3. The National Local Growth Assurance Framework¹ sets out that all LEP's Local Assurance Framework must set out what (if any) independent scrutiny arrangements the LEP has in place and whether these are integrated into part of the local authority's arrangements or separate from them. The Department for Levelling Up, Housing and Communities (DLUHC) would strongly encourage LEPs to make use of independent scrutiny arrangements, for example by establishing an overview and scrutiny committee to provide checks and balance in the operation of the partnership.
- 1.4. The outcome of a Review of Local Enterprise Partnership Governance and Transparency², led by Mary Ney, Non-Executive Director, MHCLG Board, in October 2017, reinforced the importance and value of independent scrutiny.
- 1.5. Overview and scrutiny comprise of both forward looking ('overview') and review ('scrutiny') elements. This means that work can influence decision makers before decisions are taken, based on input from the stakeholders and work can be reflective, looking at performance and the outcomes of previous decisions and programmes to see where improvements can be made for the future. Scrutiny can also have a focus on internal processes or the culture of an organisation, such as how transparent it is.
- 1.6. The Centre for Governance and Scrutiny (CfGaS) is a charity which promotes and supports scrutiny in the public, private and not for profit sectors. CfGaS, has identified three good governance principles, and see the role of scrutiny as ensuring: accountability, transparency, and involvement. Their view is that the need for oversight and accountability is particularly urgently felt in the case of LEPs, because of the large amounts of public money available to invest to promote growth across the areas for which they have responsibility. CfGaS also point to a more reflective governance environment amongst LEPs, at national and local level and an opportunity for scrutiny to find itself at the heart of securing a financially sustainable future for local people.
- 1.7. CfGaS has previously identified four Effective Scrutiny Principles, in that it:
 - provide constructive "critical friend" challenge;
 - amplify the voice and concerns of the public
 - be led by independent people who take responsibility for their role
 - drive improvement in public services.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf

² <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>

2. Overview & Scrutiny Committee

- 2.1. Dorset LEP has an Overview Scrutiny Committee; membership and minutes from meetings can be found on our website³.
- 2.2. Dorset LEP will provide an update of these arrangements in the annual performance review.

3. Audit

- 3.1. Dorset LEP's audit function falls within the Audit, Finance & Corporate Risk Committee; membership and minutes from meetings can be found on our website⁴.
- 3.2. With regards to financial audit, Dorset LEP accounts are held by the Accountable Body of Dorset Council and all transactions, payments and claims on third party grants are therefore monitored and recorded by Dorset Council staff. When a local authority or combined authority acts as the accountable body for a LEP, the role of the relevant Section 151 Officer in overseeing the proper administration of financial affairs is extended to include those of the LEP.
- 3.3. The [National Local Growth Assurance Framework](#) specifies 'Public funds managed by the Accountable Body will go through their external audit procedures, these will be risk-based which means that they may not receive an external audit every year' (p40). Dorset Council's Annual Audit is undertaken by Deloitte and includes consideration of the Dorset LEP's financial position. The level of scrutiny of the Dorset LEP accounts is based upon the level of materiality in the context of the whole expenditure of Dorset Council.
- 3.4. No general or specific concerns have been raised to the Dorset LEP nor any concern regarding risk and the final report for the Dorset LEP accounts have been raised.
- 3.5. With regards to other auditing requirements, Dorset LEP receives grant monies and contractual payments from the following, all of which are paid into the Dorset LEP account held by Dorset Council:
 - Department for Business and Trade (DBT)
 - Department for Levelling Up, Housing and Communities (DLUHC)
 - Department for Education
 - Careers and Enterprise CompanyDorset LEP is asked to report annually to the sponsoring Department on spend and outcomes, including a statement from the Council's Section 151 Officer regarding the quality of control and governance. This is in addition to regular monitoring.
- 3.6. Other Government Departments follow the same discipline requiring end of programme reports and evidence of spend, all of which is checked by Dorset Council officers. An example is the Dorset LEP Business funding whereby DBT requires annually the submission of a document detailing the financial spend, governance approach, detail on compliance with funding requirements, outputs, and other key metrics.
- 3.7. The Careers and Enterprise Company operates to an academic year but still requires quarterly reports on expenditure, only paying the Dorset LEP on the basis of each

³ <https://www.dorsetlep.co.uk/overview-and-scrutiny-committee>

⁴ <https://www.dorsetlep.co.uk/finance-audit-corporate-risk-committee>

claim. Each claim is checked and signed off by a Dorset Council finance officer and the Section 151 Officer.

- 3.8. Dorset Council published an Internal Audit Plan each year and this may consider issues of joint concerns to the Council and the Dorset LEP. For each case, the audit process is agreed in advance and the reports/ findings are shared and the reports are actioned once agreed between the parties. Examples of previous audits include that between Dorset Council and South West Audit Partnership in 2018. This was conducted to assess whether the existing governance arrangements ensured Dorset LEP identifies the correct projects to improve the economy of Dorset. There were no significant findings identified during the audit.
- 3.9. At the present time, Dorset LEP is a dormant company. Should this ever change then Dorset LEP would ensure appropriate external audit arrangements are in place, in line with the incorporation model.