

Notice of Audit and Governance Committee



Date: Thursday, 30 November 2023 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chairman:

Cllr M Andrews

Vice Chairman:

Cllr E Connolly

Cllr J Beesley

Cllr B Castle

Cllr A Chapmanlaw

Cllr R Herrett

Cllr M Phipps

Cllr C Weight

Cllr S Armstrong

Independent Members:

S Acton

L Jansen van Vuuren

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5595>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services on 01202 096660 or email democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

22 November 2023

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

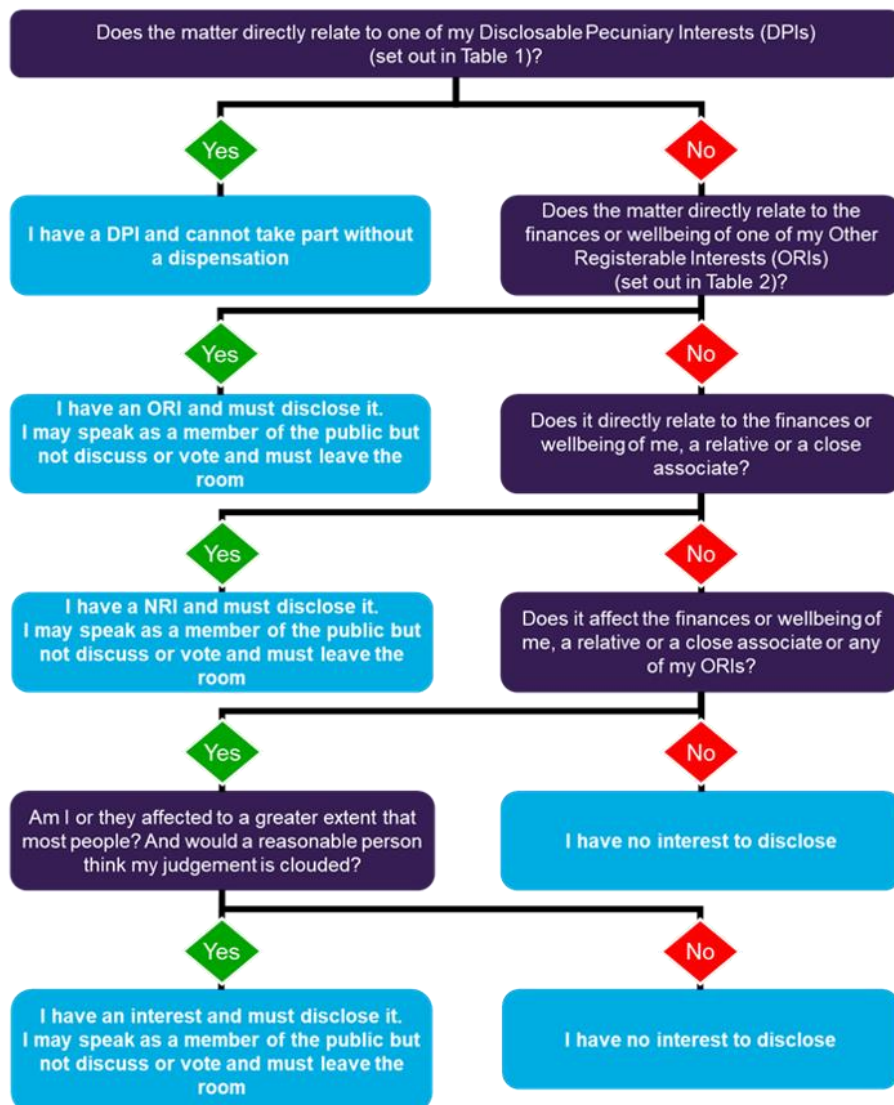


Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(richard.jones2@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 26 October 2023.

7 - 20

5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&info=1&bcr=1>

The deadline for the submission of public questions is 3 clear working days before the meeting.

The deadline for the submission of a statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. External Audit - Draft Audit Findings Report 2021/22

The attached report sets out the draft findings of the Council's external auditor following their audit of the Council's Statement of Accounts 2021/22. The key points to note are:

Financial Statements

- As at 21 November 2023 the audit is approximately 90% complete.

21 - 76

- The main area of audit work not concluded is in respect of the IAS19 Pension Fund net liability due to a required response from the auditor of the Dorset Pension Fund.
- Subject to completion of remaining work Grant Thornton anticipate providing an unqualified opinion on the financial statements for the Council in early 2024.

Value or Money Arrangements

- VFM work for 2021/22 has been completed, and was separately reported to the Audit & Governance Committee in September 2023.
- The 2021/22 report included a number of key recommendations as well as a large number of improvement recommendations.
- Four significant weaknesses in the Council's arrangements were reported and the external auditor was not satisfied the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Significant Matters

- A significant number of amendments, issues and control weaknesses were identified during the 2021/22 audit.

The additional time spent gaining assurance over all elements of the financial statements along with significant additional VFM work will be reflected in the final audit fee, to be confirmed once all work has been completed.

7. Review of the Council's Constitution - Recommendations of the Constitution Review Working Group

77 - 118

The report summarises the issues considered by the Constitution Review Working Group and sets out a series of recommendations arising from the Working Group for consideration by the Committee including proposed establishment of area-based planning committees and a transportation advisory group.

Any recommendations arising from the Committee shall be referred to full Council for adoption.

8. Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update

119 - 180

This report details progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023. The report highlights that:

- 4 audit assignments have been finalised, including 1 'Partial', 2 'Reasonable' and 1 'Consultancy' audit opinions;
- 27 audit assignments are in progress, including 7 at draft report stage;
- £12.7M of grant expenditure has been certified, as required by the issuing Government department, as meeting grant conditions;
- Internal Audit issued a report on seafront pop-up activity, incorporating 'Bayside' restaurant making 18 recommendations. The Director of Commercial Operations has led on implementing recommendations and has finalised other investigatory work.
- For a breach of Financial Regulation, previously reported to this Committee, an investigation has concluded and the Director of Commercial Operations has taken action in line with the disciplinary policy and procedures;

- Three apprentices have been successfully recruited, however, the resignation of an auditor means that there will be further impact on the delivery of the audit plan;
- 6 'High' priority audit recommendations have not been implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed.

[NOTE: Should the Committee wish to discuss the detail within the Confidential Appendix of this report, the meeting will be required to move into Confidential (Exempt) Session]

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

This page is intentionally left blank

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 26 October 2023 at 6.00 pm

Present:-

Cllr M Andrews – Chairman

Present: Cllr S Armstrong, Cllr J Beesley, Cllr B Castle, Cllr A Chapmanlaw,
Cllr M Phipps, Cllr C Weight and Cllr M Tarling

26. Apologies

Apologies for absence were received from Councillor Herrett.

Councillor Connolly was present at the meeting on a virtual basis (without entitlement to vote).

The Chair welcomed Councillor Armstrong to her first meeting as representative on the Committee of the Green Party in place of Councillor J Salmon.

The Chair welcomed the two prospective Independent Members to the meeting who were attending as observers only at this stage and the Chair referred the Committee to item 9 on the agenda regarding their appointment.

27. Substitute Members

Formal notice had been received appointing Councillor Tarling as substitute for Councillor Herrett.

28. Declarations of Interests

There were no declarations of interest.

29. Confirmation of Minutes

The Minutes of the meeting of the Committee on 07 September 2023 were confirmed as a correct record and signed by the Chair.

30. Public Issues

The Committee was advised of the receipt of six public questions and two public statements.

PUBLIC QUESTIONS

Public Questions from Mr Alex McKinstry

Question 1.

Studying the report for Item 12 this evening - the officer's report - we find this, among the recommendations following the failure of the Bayside Restaurant: **"Detailed financial analysis should be undertaken of contractors involved in pop-up [restaurant] activities."** That appears to have something in common with Paragraph 19, second bullet-point, which cites concerns around a particular contract and the related financial forecasts and financial performance. What exactly is the report author getting at here? Did one particular contractor get into difficulty and, if so, to what extent did that affect the Bayside's performance? Can we have as much detail about this as possible, given that the auditor's report is being withheld from the public and given that there is no allusion to this misfortune, as far as I can make out, in the executive summary?

Response

The recommendation that reads **"Detailed financial analysis should be undertaken of contractors involved in pop-up [restaurant] activities."** is entirely separate and not linked to paragraph 19.

Paragraph 19 is in no way implying the financial health or standing of any particular contractor was a contributing factor to Bayside financial performance.

The Internal Audit investigation report covers all pop-up activities not just the Bayside restaurant pop up. The quoted recommendation suggests that a detailed financial analysis should be undertaken to fully understand the total historic aggregate expenditure with all the various contractors involved in pop-up activities. Understanding aggregate expenditure may then reveal opportunities for aggregating commissioning and tendering activities into larger packages, where possible and appropriate to do so. This may result in better value for money, provide economies of scale and allow greater competition. More efficient and cost-effective commissioning and tendering may also result.

Paragraph 19 refers to an area of concern the Chief Operations Officer required the HR independent Code of Conduct, disciplinary investigation to consider – were the Internal Audit investigation's identified weaknesses in financial modelling and financial management of the Bayside venture a disciplinary matter requiring sanction?

For the avoidance of any doubt, and partially using Mr McKinstry's words, 'no contractor got into financial difficulty' during the Bayside venture.

Question 2.

The executive summary meanwhile states, at 4.2, that procurement waivers for Bayside were signed by an officer with "a close personal relationship with the directors of the operating company", which the officer had declared. When was that declaration made, how many waivers did the officer go on to sign, and to what financial value? Can we also be told

whether this conflict of interests was known about by any of the waivers' counter signatories - I take it the investigators have looked into this - and if not, how did this collision of interests eventually come to light?

Response

The officer declaration was dated 4 Feb 2022.

The officer signed and approved two waivers linked to the company where 'a close personal relationship' was declared, one was for £60,000 and one was £125,000. The actual final spend on the £60,000 waiver was £27,900 and the actual final spend against the £125,000 waiver was £97,108.

The officer also signed and approved five other waivers, totalling £289,380 for various supplies and services for summer hospitality at Bournemouth Beach which were not with a provider where a declaration of interest was made. Some of these supplies and services purchased through these waivers were used in the Bayside venture and 2022 Bournemouth air festival.

The conflict of interest was not known about by the waiver counter-signatories at the time of signing.

The declaration of interest form was obtained by Internal Audit as part of their investigation. Internal audit concluded that there was no evidence of fraudulent behaviour having taken place in relation to this declaration of interest or perceived conflict of interest.

The Council recognises that where a conflict of interest exists, or where there may be perception of a conflict, mitigation measures are required to manage that conflict. Such mitigation measures were not in place in this instance. The Director of Commercial Operations has subsequently required all staff, in the Directorate, to review and update their declarations of interest and any mitigations required have been agreed by line managers and reviewed by the Director.

Question 3.

Finally, at public questions on 21 February (full Council), the then portfolio-holder for tourism and culture, stated that one advantage of using "a mixed management model" for seasonal offers such as Bayside is that it "helps share the risk". Turning, then, to 5.1 of the executive summary, and the £173,500 net loss arising from the Bayside venture: what percentage of that loss has been borne by the Council, and what percentage shouldered by partners?

Response

The previous responses to questions raised at full Council explained that the 'mixed management model' and 'helps share risks' remarks, referred to the overall pop-up programme delivered across the seafront, where a

variety of operational management models were used to deliver the individual pop-ups.

As a standalone pop-up, for Bayside, 100% of the loss was borne by the Council.

As a standalone pop-up, for Bayside, the Executive summary, Key finding at 4.2 reads: Contract design was weighted heavily in favour of the third-party operators with payment of a fixed fee plus profit share and no liability for losses.

Recommendation at bullet point 10, paragraph 14 of the main report refers as follows - Contractual arrangements should ensure an appropriate balance of risk and reward.

For the 2023 summer season, taking the recommendations from the investigation and wider lessons learnt into account, contractual arrangements similar to those used for the Bayside venture have not been used as the Council recognises risks and rewards were not appropriately balanced.

Public Questions from Mr Ian Redman

Question 1.

In April, Bayside Restaurant announced, “Bookings now being taken for August”, indicating contracts had been agreed with suppliers.

Catering and staffing waivers were signed by the service director on the 11th July, Head of Strategic Procurement on the 14th July and approved by the Head of Audit on 20th July, at least four months late.

Financial regulations say “Waivers and PDR’s will not be granted retrospectively, and any such requests will be treated seriously and constitute a breach and may result in disciplinary action.”

Can the Chair confirm when and to who, the Head of Internal Audit reported the breach of the financial regulations?

Response

There was no breach of Financial Regulations. Waivers were not submitted late or retrospectively. The waivers were submitted in advance of the purchase orders being raised, and therefore in advance of the formal contractual commitment.

For one supplier a waiver was approved in March 2022 and the resulting purchase order was raised in April 2022 to work on the pre-event and in-event management and planning. The invoice for this work was paid by the Council on 1 August 2022.

The pre-event planning work included taking advance bookings. Advance bookings were knowingly taken, at risk, before the decision was made by the responsible officer to go ahead with the Bayside venture which occurred on or around 22 June 2022.

The catering and staffing waivers referred to in the question, and signed in July, were rightly raised and approved after the decision was made by the responsible officer to proceed with the venture.

Question 2.

3.5 of the Bayside Executive Summary says; Officers and third party contractors raised concerns about the Bayside. Which third party contractor raised concerns, when and to who?

Response

This information is restricted information as described in paragraph 13 of the covering report. The 'when' part of the question covers several comments made in April, May and June, before the decision was made to eventually proceed which was made on or just after 22 June 2022.

Question 3.

As the full Bayside report has been withheld, can the Chair confirm how many pages it is in length and whether the Committee have been provided with a completely unredacted copy.

Response

The full report is 22 pages, a further 22 pages of appendices exist which makes the total report 44 pages in length. The Committee have been supplied with a redacted version of the full report. Redaction appears where Council officers are named or where third-party individuals or suppliers are named. This redaction is based on the advice of the Monitoring Officer and is explained in full at paragraph 13 of the covering report.

PUBLIC STATEMENTS

Public Statements from Mr Alex McKinstry

Statement 1.

Re the assertion that the Committee must enter "exempt session" to discuss the Bayside audit. Procedure Rules 4A 9.2.1-3, from the Constitution, are cited in this regard, but these conflict with primary legislation - specifically, Section 10 of Schedule 12A to the Local Government Act 1972, which states that such material "is exempt ... so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

The ICO cites various scenarios where "public interest" might arise, several directly applicable to Bayside: "securing ... best use of public resources", for instance, or "ensuring fair commercial competition". (The latter is particularly relevant, as it's still unclear why six-figure procurement waivers were necessary for Bayside.) The Committee should look to primary legislation, therefore, and debate the report in open session.

Statement 2.

Whether the debate proceeds in open session or not, I have some figures relating to Bayside which may prove interesting. The catering receipts totalled £158,399.80. Unfortunately the organisers had anticipated receipts of £435,742, so, while there were significant underspends - only £38,469 was spent on food, for instance, whereas the organisers budgeted for £77,613 - the receipts were still way too low to generate anything near a profit; the ANTICIPATED net profit had been just £36,252. Other significant expenditure included: catering staff, £51,705; bar staff, £45,404; drinks, £23,084; "organisation and management", £19,300. Total expenditure was £331,829.99, which, deducted from the catering receipts, generated a net loss for Bayside of £173,430.19. This information was obtained by me under Section 25 of the Local Audit and Accountability Act 2014 and has been shared with all committee members.

31. External Auditor – Audit Progress & Sector Update

The External Auditors, Grant Thornton, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book. The report provided an update for the Committee on their progress to date in delivering their responsibilities and included an update on their 2021/22 audit work.

It was reported that, in regard to Financial Statements Audit 2021/22, the aim was to present a draft Audit Findings Report for 2021/22 to the November meeting of the Committee and issue their opinion by the end of November 2023. Good progress was reported although Grant Thornton advised Members that they had received an indication during the morning of the meeting that the required Letter of Assurance relating to the Dorset Pension Fund may not now be received from the Pension Fund Auditors until just before Christmas. This could lead to a delay in the timetable although Grant Thornton would do everything that they could in advance to be in a position to complete the audit as soon as the Letter was received.

The nature of the delay was set out and explained and these were matters that were outside the control of the Council's Auditors and the Committee was of the view there these matters should be addressed at a national as well as a local level. There were also specific comments about the Dedicated Schools budget and the previous Chair of the Committee informed the Committee that correspondence between him and the Chief Executive would be provided to Grant Thornton.

Grant Thornton also provided an update on the Value for Money 2021/22 and 2022/23 audits and reported that regular meetings had been set up with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against the recommendations made in their Auditor's Annual Reports for 2021/22 and 2022/23, as well as other recent external reports and emerging issues.

The report also included a summary of emerging national issues and developments that may be relevant to the Council.

RESOLVED that Audit and Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.

Voting: Unanimous

32. Treasury Management Monitoring update for Quarter 2 2023/24

The Assistant Chief Financial Officer presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The Committee was reminded of the requirement under the Chartered Institute of Public Finance and Accountancy Management Code of Practice that regular monitoring of the Treasury Management function was reported to Members.

It was explained that Council was required to approve any changes to the prudential indicators based on a recommendation from the Audit and Governance Committee.

The report included a summary of the contextual economic background and a tabulation of interest rate projections provided by the Council's Treasury Consultants. Summaries of the Council's borrowings and investments as at 30 September 2023 were also provided.

The report also set out an economic update and a Quarter 2 performance update for 2023/24 which forecast an underspend of £730k due to the increase in interest rates, an improvement from the £665k reported in Quarter 1. The report also detailed the Council's borrowing which stood at £258m and investments at £69m.

RESOLVED that Audit and Governance Committee notes the reported activity of the Treasury Management function for April to September 2023.

Voting: Unanimous

33. Risk Management – Corporate Risk Register Update

The Risk and Insurance Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

The Committee received an update on the position of the Council's Corporate Risk Register. Material updates to the risks were summarised within the report and it was particularly noted that Corporate Risk 4 (Loss or disruption to IT Systems and Networks from cyber attack) had been updated and that Corporate Risk 14 (Continuity of Public Health arrangements for health protection) had been updated and consideration would be given in the next Quarter to its continuation as a Corporate Risk. No new risks had been added nor existing risks removed during the Quarter although it was reported that ongoing review of the Corporate Risks would now begin to reflect and align with the policies of the new Council.

In response to questions, it was agreed that risk relating to 'SEND' funding would be discussed with the risk lead and further update included within the next report to the Committee. Similarly, further detail would also be provided under the Corporate Risk 13 heading (Failure to deliver the transformation programme) with particular focus on the effect of mitigations introduced.

In response to comments about the apparent lack of movement within each risk, the Committee was reminded that, as the report only set out high level Corporate Risks, more minor changes were unlikely to be reflected in the overall risk score. Whilst accepting this, there was agreement that an indication of 'direction of travel' would be useful for the Committee and this could be included within future reports. The Portfolio Holder for Finance, also present at the meeting, underlined the importance of Member involvement in risk management at this level and confirmed his commitment to the process.

RESOLVED that the Audit and Governance Committee note the update provided in this report relating to corporate risks.

Voting: Unanimous

34. Appointment of Independent co-opted members to Audit and Governance Committee

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

The report explained that, although not a legislative requirement, best practice and a '2022 position statement' by the Chartered Institute of Public Finance & Accountancy (CIPFA) endorsed by the Department for Levelling Up, Housing and Communities recommended that audit committees in local government should include at least two co-opted independent members.

Members were reminded that at the previous Committee and subsequently at Council there had been agreement in-principle to recruit two co-opted independent members to the BCP Council Audit and Governance Committee. The recruitment proposes in the format as agreed had

subsequently taken place and the recommendations made by the appointed selection and recruitment Panel of Councillors Andrews, Herrett and Chapmanlaw were set out in the report. Final appointment would need formally to be made by the full Council.

The Chair of the Committee had already welcomed the two prospective Independent Members to the meeting emphasising their attendance only as observers at that stage. Although members of the Committee were supportive of the proposal, an undertaking was given that, in order to ensure that Members were familiar with the details and experience of the individuals proposed, the background information and summary Curriculum Vitae in each case would, with their agreement, be provided to Members before voting on the appointments at Council.

RESOLVED that Audit and Governance Committee endorse the decisions made by the selection and recruiting Panel to appoint two co-opted independent members to the BCP Council Audit and Governance Committee.

RECOMMENDED that full Council approve the appointment of two co-opted independent members to the Audit and Governance Committee for a period which will end on 31 March 2026 and that Samantha Acton and Lindy Jansen van Vuuren be appointed accordingly.

Voting: For - 7; Against - 0; Abstain - 1

35. Governance of Corporate Health and Safety and Fire Safety

The Health and Safety Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

The report detailed progress made on the delivery of Health and Safety and Fire Safety governance arrangements for BCP Council. Health and Safety and Fire Safety Board meetings were reported to be taking place Quarterly with good attendance by Service Directors or their representatives. The Committee was also advised that the established BCP Council Health and Safety and Fire Safety Governance framework, which detailed the applicable governance arrangements, continued to be embedded and was working effectively.

In response to questions about Chairing of the Board it was explained that although this had usually been undertaken by the Chief Executive, the Chief Operations Officer was now increasingly involved and the issue of Chair was being reviewed. A Member was of the view that, whilst supporting the report overall, he would be unlikely to support any change to Chairmanship of the Board on the basis that, in his view, this important corporate leadership role should be undertaken by the Chief Executive. The Head of Audit and Management Assurance provided confirmation that, even if not Chairing the Board, the Chief Executive was always in attendance at it's meetings.

The Committee received updates on Health and Safety and Fire Safety operational issues including information about a number of Health and Safety Executive Improvement Notices that had been issued and successfully resolved.

It was noted that a Health and Safety Advisor vacancy continued to impact on the speed of delivery of some objectives, particularly the proactive audit programme, and would continue to do so over the remaining part of the year.

RESOLVED that Audit and Governance Committee notes

- a) the continued progress in implementing the Health and Safety and Fire Safety governance arrangements and the operational updates;**
- b) that Health and Safety and Fire Safety ongoing governance arrangements updates continue to be reported annually to the Audit and Governance Committee.**

Voting: For - 7; Against - 0; Abstain - 1

36. Emergency planning and business continuity annual update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

The Committee was reminded that emergency planning and business continuity were statutory duties for BCP Council and activity over the reporting period has been about continuing to build capability and put plans in place in line with higher risks, local and national learning, and nationally-driven priorities and workstreams such as planning for a national power outage.

The report set out the key emergency planning development activities undertaken and also provided an update on Business Continuity. Members were advised that the outcome of the Internal Audit periodic review of corporate emergency planning and business continuity arrangements had provided a 'Reasonable' assurance opinion and that the issues raised were being addressed albeit within the context of reduction in available resources.

In response to a specific question about alignment with national resilience standards regarding business continuity strategy and level of compliance with resilience governance frameworks it was agreed that a full response be provided in writing to the Committee following the meeting.

RESOLVED that the Audit and Governance Committee notes

- a) the emergency planning and business continuity activity that has taken place during the monitoring period;**
- b) the ongoing issues with delivering the business continuity management programme;**
- c) the current issues within the Emergency Planning Team regarding resource and the impact this will have on service delivery;**
- d) the current resilience position locally and nationally and the implications of this.**

Voting: Unanimous

37. Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

The report detailed progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023 and brought the attention of the Committee to a schedule of key audits.

In particular, the report included the final investigation report relating to 'Commercial Operations – Seafront : Review of Pop-Up / Temporary Activities Incorporating Bayside Restaurant'. The Committee was informed that the full report contained confidential exempt information and had therefore been provided separately to Councillors. A Briefing note had also been issued to Members ahead of the meeting. The Chair of the Committee was of the view, however, that, as far as possible within those constraints of confidentiality, the matters should be addressed in public. It was explained that the report contained eighteen recommendations, although found no evidence of fraud, and included explanation of actions already taken following issue of the report.

Members of the Committee expressed the view that the level of redaction within the report, though necessary for confidentiality, restricted the ability of Members to fully understand the report. It was suggested that this would be improved by allocating a reference to each person mentioned without actually including the names of particular individuals. Other Members were of the view that, since issue of the report with the agenda for the meeting, there had been insufficient time for them to give the report sufficient consideration prior to discussion and to prepare the detailed level of questioning that the public would expect. There was a contrary view from other Members of the Committee that sufficient time had been allowed.

There was also identified benefit in the Independent Person members of the Committee, whose appointment had not yet been confirmed by full Council, being involved in this discussion.

The Committee acknowledged the diligent work that had been undertaking by the Audit Team in production of the report.

It was proposed by Councillor Chapmanlaw, seconded by Councillor Armstrong and

RESOLVED that further consideration of the entirety of the report from the Head of Audit and Management Assurance entitled ‘Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update’ and as set out in the agenda be deferred until the next meeting of the Audit and Governance Committee on 30 November 2023.

Voting: For – 5; Against 1; Abstain 2.

38. Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2022/23

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

The report detailed counter fraud work carried out by Internal Audit to provide assurance on the Council's response to combating fraud and corruption. Internal Audit had investigated all allegations of suspected fraud or financial irregularity in a proportionate manner and it was confirmed that this included allegations of fraud from internal and external sources. Details of 'whistleblowing' referrals during the period were also listed.

It was reported that six formal whistleblowing referrals for the Council had been received and investigated by Internal Audit during 2022/23 and the particular fraud area involved and the outcome and recommendation in each case was set out.

In response to a question relating to investigation of allegations concerning the rental of office space by 'FuturePlaces', it was noted that this subject was likely to be within the scope of the next annual report to the Committee.

RESOLVED that the Audit and Governance Committee notes

- a) the counter fraud work and investigations carried out by Internal Audit during 2022/23;**
- b) the whistleblowing referrals received during 2022/23.**

Voting: Unanimous

39. Forward Plan - Refresh for the 2023/24 municipal year

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

The report set out the list of reports to be considered by the Audit and Governance Committee for the 2023/24 municipal year in order to enable it to fulfil its terms of reference.

There were number of items identified particularly under the heading of 'External Audit Reports' which, as Members had heard earlier in the meeting, may be subject to change dependent upon timetable factors and issues outside the control of the Auditors.

The Committee was reminded of the opportunity that was available for Members of the Committee, and Independent members once formally appointed, to request subjects for consideration in further depth at the scheduled 'extra' meetings of the Committee. Members were invited to submit such requests to the Chair of the Committee in the first instance.

The Committee also noted the availability on-line of recordings of the induction training sessions which had taken place after the elections in May.

RESOLVED that Audit and Governance Committee approves the Forward Plan set out at Appendix A.

Voting: Unanimous

The meeting ended at 8.22 pm

CHAIR

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE



| | |
|-------------------|---|
| Report subject | External Audit - Draft Audit Findings Report 2021/22 |
| Meeting date | 30 November 2023 |
| Status | Public Report |
| Executive summary | <p>The attached report sets out the draft findings of the Council's external auditor following their audit of the Council's Statement of Accounts 2021/22. The key points to note are:</p> <p>Financial Statements</p> <ul style="list-style-type: none"> As at 21 November 2023 the audit is approximately 90% complete. The main area of audit work not concluded is in respect of the IAS19 Pension Fund net liability due to a required response from the auditor of the Dorset Pension Fund. Subject to completion of remaining work Grant Thornton anticipate providing an unqualified opinion on the financial statements for the Council in early 2024. <p>Value or Money Arrangements</p> <ul style="list-style-type: none"> VFM work for 2021/22 has been completed, and was separately reported to the Audit & Governance Committee in September 2023. The 2021/22 report included a number of key recommendations as well as a large number of improvement recommendations. Four significant weaknesses in the Council's arrangements were reported and the external auditor was not satisfied the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. <p>Significant Matters</p> <ul style="list-style-type: none"> A significant number of amendments, issues and control weaknesses were identified during the 2021/22 audit. The additional time spent gaining assurance over all elements of the financial statements along with significant additional VFM work will be reflected in the final audit fee, to be confirmed once all work has been completed. |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee notes the anticipated audit opinion and the draft findings of the Council's external auditor following their audit of the Council's statement of accounts 2021/22.</p> |

| | |
|----------------------------|---|
| Reason for recommendations | To ensure that the Audit & Governance Committee are fully informed of the draft audit opinion and findings of the Council's external auditor following their audit of the Council's financial statements for the year ended 31 March 2022, as set out in the draft report attached. |
| Portfolio Holder(s): | Cllr Mike Cox, Finance |
| Corporate Director | Ian O'Donnell, Corporate Director for Resources |
| Report Authors | Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk |
| Wards | Council-wide |
| Classification | For Information |

Background

- Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), the external auditor is required to report whether, in their opinion:
 - the group and Council's financial statements give a true and fair view of the financial position of the group and the Council and their income and expenditure for the year; and
 - have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.
- The external auditor is also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated.
- In addition, the external auditor is required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the Value for Money conclusion).
- This report sets out the draft findings of the Council's external auditor following their audit work to date on the Councils' Statement of Accounts 2021/2022.

Draft Audit Findings Report 2021/22

- Although not fully completed, the attached draft version of the Audit Findings Report 2021/22 has been provided by Grant Thornton to ensure that the Audit & Governance Committee are fully updated with progress on the audit of the Council's financial statements for the year ended 31 March 2022.
- The following key issues from the report are noted:

Financial Statements

- As at 21 November 2023 the audit is approximately 90% complete.
- The main area of audit work not concluded is in respect of the IAS19 Pension Fund net liability due to a required response from the auditor of the Dorset Pension Fund.
- Subject to completion of remaining work Grant Thornton anticipate providing an unqualified opinion on the financial statements for the Council in early 2024.

Value or Money Arrangements

- VFM work for 2021/22 has been completed, and was separately reported to the Audit & Governance Committee in September 2023.
- The 2021/22 report included a number of key recommendations as well as a number of improvement recommendations.
- Four significant weaknesses in the Council's arrangements were reported and the external auditor was not satisfied the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Significant Matters

- A significant number of amendments, issues and control weaknesses were identified during the 2021/22 audit.
- The additional time spent gaining assurance over all elements of the financial statements along with significant additional VFM work will be reflected in the final audit fee, to be confirmed once all work has been completed.

7. Once all work is completed an updated final version of this report will be presented to a later meeting if the Audit & Governance Committee (anticipated 11 January 2024 subject to the required response from the auditor of the Dorset Pension Fund).
8. The final version will include BCP management responses to the recommendations in the report.
9. The proposed core audit fee is £213,875 and the attached report indicates that an additional fee of £6,000 is proposed due to additional work required on IAS19 disclosures (explained on page 15 of the report).
10. In addition to the core audit fees, the Council will incur costs for other services totalling £50,300.

Options Appraisal

11. An options appraisal is not appropriate for this report.

Summary of financial implications

12. The proposed core fee is £213,875 but is subject to additional work required on IAS 19 disclosures of £6,000. There are also additional fees for other audit services totalling £50,300.

Summary of legal implications

13. There are no direct legal implications from this report.

Summary of human resources implications

14. There are no direct human resource implications from this report.

Summary of sustainability impact

15. There are no direct sustainability impact implications from this report.

Summary of public health implications

16. There are no direct public health implications from this report.

Summary of equality implications

17. There are no direct equalities implications from this report.

Summary of risk assessment

18. The areas identified for development by the Council's external auditor will be fully discussed during the risk management review process and appropriate mitigations will be discussed with the Corporate Management Team.

Background papers

None

Appendices

Appendix A - Grant Thornton The Audit Findings for Bournemouth, Christchurch and Poole Council Year ended 31 March 2022 (Draft at 21 November 2023)

The Audit Findings for Bournemouth, Christchurch and Poole Council

Year ended 31 March 2022

Bournemouth, Christchurch and
Poole Council

Draft at 21 November 2023



Contents



Your key Grant Thornton team members are:

Peter Barber

Key Audit Partner

E Peter.A.Barber@uk.gt.com

Katie Whybray

Senior Manager

E Katie.V.Whybray@uk.gt.com

George Amos

In-Charge Auditor

E George.WM.Amos@uk.gt.com

Section

- 1. Headlines
- 2. Financial statements
- 3. Value for money arrangements
- 5. Independence and ethics

Appendices

- A. Action plan
- B. Follow up of prior year recommendations
- C. Audit adjustments
- D. Fees
- E. Audit Opinion

Page

- 3
- 5
- 28
- 30

- 35
- 37
- 41
- 49
- 50

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

This Draft Audit Findings presents the observations arising from the audit as at 21 November 2023 that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit and Governance Committee.

Name : Peter Barber
For Grant Thornton UK LLP
21 November 2023

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Bournemouth Christchurch and Poole Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the group and Council's financial statements give a true and fair view of the financial position of the group and Council and the group and Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We recommenced our post-statements remote audit in July and as at 21 November 2022 our audit is approximately 90% complete. Our findings to date are summarised on pages 5 to 27.

We have identified a number of material and non-material errors and adjustments, including prior period adjustments to the draft financial statements the majority of which relate to property valuations which are set out in detail on pages 11-14 of the report.

The main substantive area of audit work not concluded is in respect of the IAS 19 Pension Fund net liability. We have not yet received a response from the auditor of the Dorset Pension Fund to enable us to conclude our work in this area. The Pension Fund auditor has indicated that this will be provided in December 2023.

Audit adjustments are detailed in Appendix C. Management have indicated that all material areas identified will be corrected in the revised financial statements. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B and a number of these are still outstanding.

The time taken to complete this opinion audit work for 2021/22 reflects many of the challenges faced in the prior year. Following the conclusion of the 2020/21 opinion audit in March 2023 it was agreed with officers to defer the 2021/22 post-statements financial statements audit to July 2023 to allow finance officers to undertake a further quality assurance process on the draft 2021/22 financial statements.

The Council reconsidered the draft statements for 2021/22 and undertook a number of adjustments to these given the issues reported as part of the prior year audit. We are therefore auditing the updated accounts and highlight in this report changes made by management to the draft accounts prior to our audit as part of our amendments schedule.

The complexity of BCP's financial statements combined with the continued usage of multiple predecessor financial systems and multiple valuers has implications for delivery of a timely audit. That said, the direction of travel since the 2020/21 audit is a positive one, with less issues arising to date than the prior year. We have also noticed a marked improvement in the timeliness of responses, which is much appreciated. Despite this, significant additional audit time has been incurred by our audit team again this year discharging our role and there were a small number of areas where there was long delays in receiving evidence and response to queries. There is therefore further way to go to improve the audit process going forward. We expect some of the issues to continue until the Council's new accounting systems which was effective from 1 April 2023 begins to deliver the improvements in both internal and external financial reporting. We will continue to work with the finance team to support improvements in the areas which can be improved before then.

This additional work also reflects the continuous raising of the bar and us as auditors providing greater challenge to the Council especially in the areas subject to greatest estimation and uncertainty.

Subject to the completion of the remaining audit procedures set out on page 5, we anticipate issuing an unqualified audit opinion in early 2024, as detailed in Appendix E. Once all work is complete an updated final version of this report will be presented to a later meeting of the Audit and Governance Committee.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have completed our VFM work for 2021/22, combining it with our reporting for 2022/23. The detailed commentary is set out in the separate Auditor's Annual Report, which we presented to the Audit and Governance Committee in September 2023.

For 2021/22, this report included a number of key recommendations as well as a large number of improvement recommendations. As a result, we reported four significant weaknesses in the Council's arrangements and so are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Given the significant of the issues identified within the VFM report, we have set up regular meetings with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against our recommendations as well as other recent external reports as well as emerging issues.

Our findings are set out in more detail in the value for money arrangements section of this report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant Matters

The audit team identified a significant number of amendments, issues and control weaknesses during the 2021/22 audit with the continued complexity of the Council's underlying financial systems and particular areas of the financial statements, such as property plant and equipment continue to have a significant impact on the efficiency and timeliness to deliver our audit. There has been an improvement in the timeliness of responses which is reflected in the reduction in the overall time taken to complete the audit from the prior year.

The additional time spent by the team in gaining assurance over all elements of the financial statements along with significant additional work in respect of our VFM responsibilities in 2021/22 will be reflected in the final audit fee, to be confirmed once all work is complete.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management and the Audit and Governance Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the group's business and is risk based, and in particular included:

- An evaluation of the group's internal controls environment, including its IT systems and controls;
- An evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of the component and to determine the planned audit response.
- From this evaluation we determined that specified audit procedures for land and buildings and heritage asset balances were required
- Analytical procedures were undertaken on the three charities consolidation into the group accounts

We have not had to alter the planned approach reported to you in our audit plan.

Conclusion

Our audit of your financial statements our work is substantially complete but subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion as soon as we receive the Pension Fund letter of assurance as detailed in Appendix E.

These outstanding items include:

- completion of work on PPE and infrastructure assets including depreciation
- Review of the Expenditure and Funding Analysis note
- completion of our sample testing for income and final review of updated income from contract recipients note
- Completion of receipts in advance testing
- review of final group consolidation
- Receipt and review of the response from the auditor of Dorset Pension Fund
- Responses to queries regarding pensions with Dorset Council and the Council's actuary
- receipt of management representation letter and
- review of the final set of financial statements.
- Any follow up resulting from our final central quality review following recent completion of work in outstanding areas;
- review of the final set of financial statements to confirm all agreed amendments made.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during the course of this extended audit.

The audit team has worked well alongside the council finance team to deliver the audit remotely and although improvements have been seen since the prior year audit, there are still further improvements to be made to ensure the audit is more efficient going forward.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan on 27th October 2022 but we have set specific materiality levels for Senior Officer Remuneration, due to the sensitive nature of this disclosure and the interest of the reader.

We detail in the table (right) our determination of materiality for BCP Council and group.

| | Group Amount (£) | Council Amount (£) | Qualitative factors considered |
|---|------------------|--------------------|--|
| Materiality for the financial statements | 13.5m | 13.3m | We considered materiality from the perspective of the users of the financial statements. The Council prepares an expenditure-based budget for the financial year and monitors spend against this, therefore gross expenditure was deemed as the most appropriate benchmark. This benchmark was the same as used in the prior year. We considered that 1.4% was an appropriate rate to apply to this benchmark, reflecting on the size and complexity of the Council. |
| Performance materiality | 8.8m | 8.7m | The performance materiality percentage is reduced to reflect the number of misstatements identified in the prior year accounts. |
| Trivial matters | 700k | 700k | Calculated as a percentage of headline materiality and in accordance with auditing standards |
| Materiality for Senior Officer Remuneration | 16k | 16k | The public sensitivity surrounding the disclosure of senior officer pay. |



2. Financial Statements - Group audit

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

| Component | Individually Significant? | Level of response required under ISA (UK) 600 | Planned audit approach | Findings |
|--|---------------------------|---|--|---|
| BCP Council | Yes | | Full scope audit performed by Grant Thornton UK LLP | <ul style="list-style-type: none"> Findings set out in this report. |
| 31 The Russell Cotes Art Gallery and Museum Charitable Trust | No | | Specified procedures on one more classes of transactions, account balances or disclosures in the group financial statements. | <ul style="list-style-type: none"> We undertook specific procedures on the material balances of property, plant and equipment and heritage assets. No issue were noted. We undertook analytical procedures for each component and there were no significant year on year movements in line with our expectations. We identified above trivial differences in the group consolidation due to the timings of the preparation of the group accounts and the council using prior year accounts rather than audited current year accounts. The council amended the group consolidation to reflect the final audited figures. A number of the amendments which we identified in the single entity accounts also impacted the group figures and these have all been amended appropriately. |
| For Five Parks Charity | No | | Specified procedures on one more classes of transactions, account balances or disclosures in the group financial statements. | |
| The Lower Central Gardens Trust | No | | Specified procedures on one more classes of transactions, account balances or disclosures in the group financial statements. | |

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

| Risks identified in our Audit Plan | Commentary |
|--|---|
| <p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement</p> | <p>We:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals analysed the journals listing and determined the criteria for selecting high risk unusual journals identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborative evidence evaluated the rationales for any changes in accounting policies, estimates or significant unusual transactions <p>We did not identify any significant changes in estimation techniques adopted between years. More information on our work on estimates can be found on pages 17 to 21.</p> <p>Critical judgements and estimation uncertainty disclosures were reviewed to ensure that they meet the requirements of the CIPFA code and accounting standards, with only those estimates at risk of material misstatement in future years being disclosed.</p> <p>The size of the Council's ledger made obtaining a full data download difficult. We have again invested audit resource working with the Council to obtain a full nominal ledger download to facilitate our journals testing, however in order to select items for testing for specific areas such as fees and charges and operating expenses, further additional work was necessary to isolate items for testing.</p> <p>The continued issues identified by our IT audit team particularly relating to segregation of duties and enhanced permissions increased the inherent risk for the audit and resulted in a significant increase in our testing of journals, compared to an entity with no significant deficiencies in its IT systems. The segregation of duties issue also led to increased work being required in other areas of the audit.</p> <p>Our testing of high risk journals did not identify any instances of management override of controls. However, we identified a number of control weaknesses and have raised recommendations to the Council regarding this:</p> <ul style="list-style-type: none"> It was identified in the prior year three finance managers were instructing junior staff to post journals which they then subsequently authorise. Since we reported this in the prior year audit findings report, the Council has reiterated to finance managers that this practice is unacceptable. We undertook specific work on this in 2022/23 and we did not identify any further instances in 2022/23 with these three finance manager, however we did identify one further finance manager (who has now left the Council) who did instruct junior staff to post journals on their behalf. This renders the underlying control ineffective and more junior staff are less likely to challenge the purpose of any journal. We therefore undertook further focused review on Journals authorised by this individual. |

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

33

| Risks identified in our Audit Plan | Commentary |
|--|--|
| <p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement</p> | <ul style="list-style-type: none"> It was identified that the Deputy S151 journal postings had not been independently reviewed and approved as is required by the Council's policies. There is therefore opportunity for this individual to post inappropriately. We recommend that the review process is followed going forward Upon review of the journal reviewers control spreadsheet, it was noted that there were delays in the retrospective review and approval of journals, some of which were reviewed more than two months after creation date of journal. The Council should ensure there is a timely approval process for all journals going forward For three items within our testing population, no dates were included to indicate when the journals has been approved and reviewed. This should be completed for all journals For three items there were delays in reporting of transactions (for example a transaction was posted 3 months after it took place) <p>It is evident that the Council need to continue to look to strengthen their control environment in respect of journals, in particular around the authorisation of journals in order to ensure controls are implemented effectively and we have made recommendations in respect of this.</p> <p>As a result of the control weaknesses, once again this year we have significantly extended our testing in this area. This additional work and the findings from our initial testing has not identified any issues with the appropriateness of the journals.</p> |

2. Financial Statements - Significant risks

| Risks identified in our Audit Plan | Commentary |
|---|--|
| <p>ISA240 Revenue Risk</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition• opportunities to manipulate revenue recognition are very limited• the culture and ethical frameworks of local authorities, including BCP Council, mean that all forms of fraud are seen as unacceptable | <p>We have reconsidered this as part of our audit work on the financial statements and have not changed our assessment and therefore we confirm that we do not consider this to be a significant risk for BCP Council.</p> <p>Our audit work has not identified any issues in respect of improper revenue recognition.</p> |

34

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings including council dwellings and investment properties

The valuation represented a significant estimate by management in the financial statements due to this size of the numbers involved and the sensitivity of the estimates to changes in key assumptions.

We

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work.
- appointed our own auditor's valuation expert to provide additional challenge to the process of auditing the Land & Buildings and Investment Property valuations.
- evaluated the competence, capabilities and objectivity of the valuers used by the Council.
- discussed with and wrote to the Council's valuers to confirm the basis on which the valuation was carried out.
- challenged the information and assumptions used by the valuers to assess completeness and consistency with our understanding and engaged our own valuer to assess the instructions to the Council's valuers, the Council's valuers' report and the assumptions that underpin the valuation.
- tested revaluations made during the year to see if they had been input correctly into the Council's asset register
- evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Our work in this area has identified the following issues:

Valuation of Land & Buildings

- Through completing initial reconciliation work between the draft accounts, the council's Fixed Asset Register (FAR) and the Norse valuation report, we discovered that the accounts were prepared using figures obtained from an earlier version of the valuation report as these were the figures processed in the FAR during year end closedown. A revised valuation report was provided to the council in June 2022 and this had not been reflected in the 21/22 accounts. This resulted in complications in agreeing the revalued figures in the accounts to the valuer's report. This exercise resulted in a total increase in the Land & Buildings for the council of £4.994m, with corresponding adjustment to depreciation (£0.901m) Revaluation Reserve ([£6.114m]) and Capital Adjustment Account (£0.219m). This adjustment included a revision for the value of Meyrick Park Golf Club, which was recognised fully in the Charity accounts, when the council's share is 26% of the asset. The adjustment that relates to this asset recognises an extra £0.658m in the council Land & Buildings, with 74% recognised in the Charity accounts (£1.875m) with the asset having a total value of £2.534m. The total impact of the reconciliation work on the group accounts exercise resulted in a total increase in the Land & Buildings for the Group of £4.511m, with corresponding adjustment to depreciation (£0.901m) Revaluation Reserve ([£6.114m]) and Capital Adjustment Account (£0.703m).
- Whilst auditing the valuation of Hillbourne Primary School, we challenged the valuation basis of the surrounding land, as the valuer had valued this at a nominal rate and was classed as undeveloped land with no planning permission. We discovered that the land had an intended use by the council, and plans for residential development had been made before the year end 31 March 2022. Therefore, the valuation of the land relating to this asset was reconsidered and subsequently increased by £4.658m. There was no impact on the value of the building.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings, council dwellings and investment properties (continued)

Reviewing the valuation calculations for Poole High School and Linwood School highlighted incorrect guidance being used by the council's valuer with respect to MEA (modern equivalent asset) site areas to be used in valuation. The valuer had used incorrect school types for the basis of their site area calculations, and this resulted in inaccurate valuations. In the case of Poole High School, primary school areas per pupil from guidance were used, rather than secondary school rates which meant the valuation was understated. In the case of Linwood school, areas per pupil were used for standard schools, rather than rates for SEN schools, which meant the valuation was understated. The council's internal valuer is in the process of providing the audit team with revised valuations, so we can assess these for reasonableness and quantify the impact on the Land & Buildings balance. We were able to isolate these errors to the school assets considered on an alternative site area basis and therefore able to conclude this issue does not impact any further school assets.

- From our review of the valuation of Avenue Road Car Park, we noted significant movement in valuation between 20/21 and 21/22 of 68%. The value had decreased significantly due to a lower gross income being used in valuation by the valuer in 21/22 than 20/21. We challenged the reasonableness of this and determined that the figure used by the valuer was inappropriate as it used estimated income that included the impact of periods impacted by the covid-19 pandemic, which artificially decreased car park income due to travel restrictions. The council's internal valuer is in the process of providing the audit team with a revised valuation, using a more suitable income figure, so we can assess this for reasonableness and quantify the impact on the Land & Buildings balance.
- Through our audit of the valuation of Highcliffe Castle, we were able to conclude that we were satisfied that the asset value was materially accurate, however we recommend that management discuss and review the inputs and assumptions for Highcliffe castle with their valuers in 22/23 to ensure they are comfortable with how these are applied, due to the highly unique nature of the asset and the breadth of assumptions that could be used, which could cause significant valuation swings in the future.
- From testing build costs and location factors applied in DRC valuations, we came across two assets (Broadstone Leisure Centre and Nuffield Waste Transfer Centre) where an oversight by the valuer had resulted in the build cost rate applied being uplifted twice by the suitable location factor in calculation, rather than once. This resulted in these valuations in total being £0.41m higher than expected. Due to the size of the error, no adjustment is proposed, however we wanted management to be aware of this inconsistency and ensure, through valuer enquiry, that these mistakes do not happen in the future. Out of the 15 DRC valuations tested, these were the only exceptions noted.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings, council dwellings and investment properties (continued)

- From reviewing the valuation for Upton Country Park Car Park and Public Conveniences, we identified the toilet block valued had been demolished in January 2022, in preparation for the construction of a new visitor centre. Therefore, this should not have been valued as an operational asset as at 31 March 2022 and should not have been on the council’s asset register. The value of this asset was trivial (£137k), however we recommend that management ensure that assets included in the valuation exercise all exist at the valuation date and that regular discussions with estates and the capital projects team take place to ensure disposed assets are excluded from valuation exercises and the fixed asset register. No further instances of this type of error were noted and due to the size of the asset, no further work was performed as we were comfortable this was not indicative of material misstatement.
- From reviewing the valuation of Holes Bay, the auditor challenged the classification of this piece of land, following discussion with our auditor expert, after we identified an unusual assumption applied in valuation. The valuation calculation subtracted land remediation costs from the value of the land, suggesting that work was needed to bring the land into use for it’s intended purpose. This implied that the asset was not operational and therefore could be deemed as a surplus asset, until these alterations had been made to the land to make it suitable for residential development (it’s intended purpose). Management reclassified Holes Bay (value of £15.587m) from Land & Buildings to Surplus assets. Disclosures were also updated in the prior period to reflect this classification change as the asset is individually material. More detail on the changes can be seen in Appendix C.

Our work in this area whilst well progressed, remains in progress. To date, the impact of these adjustments has resulted in categorisation changes in Note 12 totalling £15.587m, in addition the total movement to date as a result of our audit findings results in an overall increase in the PPE figure £9.652m.

The findings above which are significant in number and value, as was the case in 2020/21 and reinforces the recommendations made last year in respect of greater quality assurance and oversight by both estates and management with a more thorough review of assets with significant movements between years and challenge the valuers on the assumptions used to determine whether the movements are reasonable and in line with their expectation.

2. Financial Statements - Significant risks

| Risks identified in our Audit Plan | Commentary |
|--|---|
| Valuation of land and buildings, council dwellings and investment properties (continued) | <p>Valuation of Investment Properties</p> <p>Through our review and challenge of valuations performed for Investment Properties, we have found no material issues and are comfortable that the valuations provide a materially accurate and reasonable estimate. Some differences between auditor recalculations and valuer results were noted, suggesting a potential £3m overstatement of valuations, however as these are estimation differences and not factual errors, we deem the estimate reasonable.</p> <p>We note that through review of assumptions used in Investment Property valuations, that the valuer is applying the deduction of purchaser's costs (i.e. stamp duty) from valuations inconsistently across the portfolio of assets. This only results in a small element of the asset's gross value being deducted from the valuation, however, through engagement with our auditor's expert, are of the view that this should be applied consistently to all valuations. We recommend that management discuss the application of this assumption in future valuations with their external valuer to ensure consistency in application.</p> <p>Valuation of Council Dwellings</p> <p>Through our review and challenge of valuations performed for Bournemouth and Poole HRA Council Dwellings, we are satisfied that the beacon approach has provided a materially accurate and reasonable valuation estimate as at 31 March 2022.</p> <p>Findings were made in relation to the application of assumptions throughout the Bournemouth HRA valuation exercise, further detail can be seen on page 19 of this report. We deem that these do not have a material impact on the accuracy of the estimate. No such issues were noted in the Poole HRA valuations.</p> |

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Pension Fund Liability

The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£808m in the Council's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability.

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension and fund valuation
- assessed the accuracy and completeness of the information provided by the Council to the actuary that estimated the liability
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report. We are awaiting responses from the actuary to our challenges and questions in order to gain sufficient assurance over the inputs and assumptions used.

The pension fund's triennial actuarial review was carried out as at 31 March 2022 and the Council was required to consider the impact of publication of the results on the pensions valuations. million This resulted in changes in member numbers within pension funds and has led to a material adjustment in the pension liability disclosures for the Council as at 31 March 2022. The Council requested that it's actuary, Barnett Waddington undertake an updated actuarial review. This was received and management included the relevant adjustments in the revised accounts. This has decreased the net defined benefit liability at 31 March 2022 by £75 million from the liability disclosed in the draft accounts.

We have performed additional audit procedures to ensure the revised pension valuation has been adjusted appropriately within the financial statements. We have requested the auditors of Dorset Pension Fund to undertaken testing of membership data as part of the triennial review process, we are currently awaiting the results of this testing.

The following areas of still outstanding:

- We are yet to receive assurances from the auditor of Dorset Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

| Significant judgement or estimate | Summary of management's approach | Audit Comments | Assessment |
|--------------------------------------|---|--|------------|
| Land and Building valuations – £721m | <p>Other land and buildings comprises £376m of specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£345m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Council has engaged Norse to complete the valuation of properties as at 31 March 2022 on a five yearly cyclical basis. 20% of total assets, representing around 50% of the total value of the councils assets were revalued during 2021/22.</p> <p>Management have considered the year end value of non-valued assets, through an indexation exercise carried out using appropriate indices supplied by their external valuation experts, to determine whether there as been a material change in the total value of these properties. Management's assessment of assets not revalued has identified no material change to the carrying value of these assets.</p> <p>The total year end valuation of land and buildings presented in the draft accounts was £721m, a net increase of £9m from 2020/21 (£712m).</p> | <p>We have assessed Norse to be competent, capable and objective, however minor inconsistencies in the preparation of the valuation spreadsheets were identified through review of valuation calculations, these were not deemed significant.</p> <p>We have carried out completeness and accuracy testing of the underlying information provided to the valuer and we have identified some inconsistencies resulting in revision of valuations relating to Hillbourne Primary School and Avenue Road Car park. A revised valuation for Hillbourne Primary School was obtained and deemed appropriate, resulting in an adjustment being processed (see pg 10 and appendix C for more details). A revised valuation for Avenue Road Car park is being processed by the council's internal valuer, due to an inconsistency with the gross income figure estimated by the valuer and income data held by the council.</p> <p>Alternative Site areas</p> <p>Alternative site assumptions are considered by the valuer in their valuation of schools assets and are done so based on applying a suitable area per pupil number. We identified that where such site area assumptions were applied, these had been done so using inappropriate rates. See page 11 for more details. Revised valuations are currently being processed by the council's internal valuer and will be assessed by the auditor once complete. These findings relate to Poole High School and Linwood School. These are the only school assets considered on an alternative site area basis in this year's valuation, due to their age, which we deem appropriate, therefore no risk of this causing further material error in residual population.</p> <p>We also note a weakness in management's responsibility to assess and take ownership for alternative site assumptions. We recommend that management assess the requirement for alternative site assumptions to be considered for their asset portfolio to support whether these assumptions are relevant for their assets or not.</p> <p>Our work in this area is still ongoing.</p> | TBC |

40

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements – key judgements and estimates

| Significant judgement or estimate | Summary of management's approach | Audit Comments | Assessment |
|--------------------------------------|----------------------------------|--|------------|
| Land and Building valuations – £721m | | <p>The Council requires an explanation within the valuation reports of individual assets for unusual movements or to identify potential errors. Although these were reported within the valuation report, management had not taken steps to investigate comments made in the valuations of assets included in our sample – these include Poole High School and Avenue Road Car park discussed above. Follow up of comments made by the valuer would have enabled these inconsistencies to be rectified prior to submitting the accounts for audit. This was an observation also noted in the prior year audit.</p> <p>Assets not revalued in the year</p> <p>Management are required to assess whether the current value of its assets is not materially different from the carrying value and has undertaken an exercise to assess this using indices which we are currently reviewing.</p> <p>The working papers in this important area have continued to improve, however the greater emphasis placed on estimates as a result of ISA 540 means that further work is needed in this area by management to fully challenge the valuer and understand the basis of the estimates made.</p> <p>We confirmed that overall the valuation method unless otherwise reported, remains consistent with the prior year.</p> <p>Our work in this area is currently in progress.</p> | TBC |

2. Financial Statements - key judgements and estimates

| Significant judgement or estimate | Summary of management's approach | Audit Comments | Assessment |
|--------------------------------------|--|---|--|
| Investment Property Valuation - £92m | <p>The Council revalues its investment properties on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date.</p> <p>The Council engaged its external valuation expert to value its investment properties. Norse were engaged, and valued these properties alongside their Land & Buildings valuations.</p> <p>The Council owns a significant retail shopping centre located in Bournemouth. The Council has further considered the appropriateness of the valuation of this asset by assessing the strength of its tenant base to understand the reasonableness of the valuation received.</p> <p>The year end valuation of investment properties was £92m at 31 March 2022 an increase of £2m from the 2021/22 valuation.</p> | <p>We have reviewed management's processes and no issues were identified. We have considered:</p> <p>The completeness and accuracy of the underlying data used to determine the estimate.</p> <p>The reasonableness of the overall decrease in the estimate.</p> <p>The adequacy of the disclosure of the estimate in the financial statements.</p> <p>Immaterial point estimate differences were noted through comparison of valuer's calculations and auditor recalculations, this provides us with assurances that the valuations made by Norse were materially accurate.</p> <p>We note that through review of assumptions used in Investment Property valuations, that the valuer is applying the deduction of purchaser's costs (i.e. stamp duty) from valuations inconsistently across the portfolio of assets. This only results in a small element of the asset's gross value being deducted from the valuation, however, through engagement with our auditor's expert, are of the view that this should be applied consistently to all valuations. We recommend that management discuss the application of this assumption in future valuations with their external valuer to ensure consistency in approach.</p> | We consider management's process is appropriate and key assumptions are neither optimistic or cautious |

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

| Significant judgement or estimate | Summary of management's approach | Audit Comments | Assessment |
|--|--|---|--|
| Council dwellings and other HRA PPE valuations – £682m | <p>The Council owns over 9,000 dwellings and is required to revalue these properties in accordance with DCLG's Stock Resource Accounting Guidance. The guidance requires the use of a beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties.</p> <p>The Council continues to maintain the council house stock of the former Poole and Bournemouth councils separately and engaged different valuers to perform the valuation of these properties.</p> <p>For the Poole properties, a full valuation of the beacon properties was undertaken. This was performed by the VOA (external valuer).</p> <p>For Bournemouth 20% of beacons were revalued in line with the 5 year cyclical exercise. This was performed by the council's internal valuer.</p> <p>Of the £682m total HRA Asset value, £661m relates to Council Dwellings, with £6m relating to other Land & Buildings (also considered in valuation process) and the remaining £14m relates to assets valued at historical cost (assets under construction (£11m), Surplus Assets (£2m) and Plant & Equipment (£1m).</p> | <p>We have reviewed management's processes and no issues were identified.</p> <p>We have agreed a sample of dwellings to comparable market evidence with no issues identified.</p> <p>We identified the following issues in our testing of Bournemouth HRA properties</p> <ul style="list-style-type: none"> - Bedroom uplifts were not applied consistently across valuations. The council's policy is to add 20% to the valuation in this instance. We performed a further review of this in and determined that there were other variant beacons that were incorrectly valued due to a difference in number of bedrooms. We recalculated the valuations using the correct uplifts and there was a difference of £738k so there is no risk of material misstatement was noted. - As a result of our testing we identified that the council were applying a 12% reduction if a property was a non traditional construction property. We challenged this assumption and the internal valuer advised that there is no evidence to support this figure as this is a historical policy, in 'Non Trad Review' a review of all beacon variants that have been subject to this change and determined that there is no material uncertainty that results in the application of this assumption. - As a result of our testing, we have identified that a property has been included in a variant beacon when we have not noted a difference between this property and the beacon property. We are satisfied that there is not a risk of material misstatement here. However, we recommend that beacon categories need to be reviewed to ensure that these are consistent with the beacon variants valuation report. <p>No issues were noted with the valuation of Poole HRA properties.</p> <p>A separate review was performed on a sample basis on the carrying value of Assets Under Construction, with no issues noted.</p> | We consider management's process is appropriate and key assumptions are neither optimistic or cautious |

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Net pension liability – £808m

The Council's net pension liability at 31 March 2022 is £808m (PY £1.190m) comprising the Dorset Pension Fund Local Government funded defined benefit scheme. The Council uses Barnett Waddingham to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

- We identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. No issues were identified from our review of the controls in place.
- We also evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuations and gained an understanding of the basis on which the valuations were carried out. This included undertaking procedures to confirm the reasonableness of the actuarial assumptions made:

| Assumption | Actuary Value 2019 valuation | Revised Actuary Value 2022 valuation | PwC range | Assessment |
|--|------------------------------|--------------------------------------|------------|------------|
| Discount rate | 2.6% | 2.6% | 2.55-2.6% | ● |
| Pension increase rate | 3.2% | 3.2% | 3.05-3.45% | ● |
| Salary growth | 4.2% | 4.2% | 3.7-5.7% | ● |
| Life expectancy – Males currently aged 45 / 65 | 23.1 | 22.10 | 20.5-23.1 | ● |
| Life expectancy – Females currently aged 45 / 65 | 24.7 | 24.20 | 23.4 - 25 | ● |

- We have gained assurance over the completeness and accuracy of the underlying information used to determine the estimate,
- We have gained assurance over the reasonableness of the Council's share of LGPS pension assets, and
- We have reviewed the adequacy of disclosure of the estimate in the financial statements.

TBC

Assessment

- Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

| Significant judgement or estimate | Summary of management's approach | Audit Comments | Assessment |
|--|---|---|---|
| Provisions for NNDR appeals - £14.169m | The Council are responsible for repaying a proportion of successful rateable value appeals. Management calculates the level of provision required. This calculation is based upon the latest information about outstanding rates appeals provided by the Valuation Office Agency (VAO) and previous success rates. The provision has decreased by £0.88m in 2021/22 | <ul style="list-style-type: none"> No issues were identified with the appropriateness of the underlying information used to determine the estimate There has been no change to the method used to determine the provision The method is in line with industry practise adjusted to reflect the specific circumstances of the Council The disclosure of the estimate in the financial statements is adequate Management has increased the amount set aside against the majority of its provisions, however we note that the increase in the provision is not reflective of the amount of provision used, which is generally lower than the increase. This indicates that the Council is taking a cautious approach to the recognition of provisions. We are satisfied that the current levels of provisions for NNDR appeals are reasonable. | We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious |
| Minimum Revenue Provision - £10.5m | <p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt known as the Minimum Revenue Provisions (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>There has been no change in the method for calculating MRP during the year.</p> <p>The year end MRP charge was £10.5m, a net increase of £1m from 2020/21.</p> | <p>The Council is required to prepare a policy on MRP annually and present to members. The Council's policy was presented to Cabinet in February 2021.</p> <p>We are satisfied that the Council's MRP has been calculated in accordance with statutory guidance and the policy is compliant and reasonable</p> | We consider management's process is appropriate and key assumptions are neither optimistic or cautious |

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - Internal Control

| | Assessment | Issue and risk | Recommendations |
|----|------------|--|--|
| | ● | Within our disposals testing we identified assets which had been disposed of in the accounts within 2021/22 however on review these had been disposed of in prior years but not accounted for in the year they were disposed in. | <ul style="list-style-type: none"> We recommend management review the processes and procedures in place for disposals in particular around how the finance team are notified when disposals take place. <p>Management response</p> <ul style="list-style-type: none"> [...] |
| 46 | ● | <p>It was noted that journals posted by the deputy S151 officer has not been reviewed and approved as required in the Council's journal policies.</p> <p>There is a risk of this individual posting inappropriate journals.</p> <p>We also noted that some journal approvers did not include that date of when the journal was reviewed and approved.</p> | <ul style="list-style-type: none"> We recommend all finance staff are reminded of the Council's policies around authorisation of journals and all approvers should ensure they include all relevant information in their approvals including the dates of the approval <p>Management response</p> <ul style="list-style-type: none"> [...] |
| | ● | <p>In our agreement of the fixed register to the valuation reports, it was noted that not all the latest information from the valuer had been reflected in the fixed register asset.</p> <p>The valuation reports also include commentary where assets have moved significantly year on year which if reviewed by the Council would likely have identified some of the issues picked up by our audit work on this.</p> | <ul style="list-style-type: none"> We recommend management implement stronger controls in relation to the valuation reports. <p>Management response</p> <ul style="list-style-type: none"> [...] |

Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

| Issue | Commentary |
|---|---|
| Matters in relation to fraud | We have previously discussed the risk of fraud with the Audit and Governance. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit. |
| Matters in relation to related parties | We are not aware of any related parties or related party transactions which have not been disclosed. |
| Matters in relation to laws and regulations | You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work. OR |
| Written representations | A letter of representation has been requested from the Council, including specific representations in respect of the Group, which is included in the Audit and Governance Committee papers. |
| Confirmation requests from third parties | We requested from management permission to send confirmation requests to the Council's bankers and organisations with whom the Council has loan or investment arrangements. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation. |
| Accounting practices | We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. A number of changes to disclosures have been made as a result of the audit. Our review found no material omissions in the revised financial statements. |

2. Financial Statements - other communication requirements



| Issue | Commentary |
|--|--|
| Audit evidence and explanations/ significant difficulties | <p>In 2021/22, we have noted an improvement in the responsiveness of the Council to our audit requests and we have built a good relationship with the key members of the finance team who have supported us throughout the audit. This is evidenced by the reduction in the time taken to complete the audit than in the prior year.</p> <p>However, a number of issues we identified in the prior year were still visible in the 2021/22 audit, namely</p> <ul style="list-style-type: none"> • Significant number of adjustments required to be made to the draft accounts even after the Council revisited the draft accounts and put in place quality assurance arrangements • IT audit work identifying a number of issues which resulted in additional audit procedures being required • Lack of review of property, plant and equipment including no challenge of significant and unusual movements in assets • Some areas of the audit where there was a significant delay in the council providing evidence and responding to queries. <p>We consider that more work is required to ensure the Council has fully effective arrangements in place to produce complete and accurate financial statements.</p> |

2. Financial Statements - other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

| Issue | Commentary |
|---------------|--|
| Going concern | <p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Council and the environment in which it operates the Council's financial reporting framework the Council's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. |

2. Financial Statements - other responsibilities under the Code

| Issue | Commentary |
|---|---|
| Other information | <p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statement and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to appendix E</p> |
| Matters on which we report by exception | <p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have reported a number of significant weaknesses in respect of the Council's value for money arrangements and these were reported within the annual auditors report which was taken to the September 2023 Audit and Governance Committee.</p> <p>We have nothing further to report on these matters</p> |



2. Financial Statements - other responsibilities under the Code

| Issue | Commentary |
|--|--|
| Specified procedures for Whole of Government Accounts | We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. For the Council, detailed work is not required as the Council does not exceed the threshold set by the NAO. |
| Certification of the closure of the audit | We intend to certify the closure of the 2021/22 audit of Bournemouth, Christchurch and Poole Council in the audit report, as detailed in Appendix E. |

3. Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

52



Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. The risks we identified are detailed in the table below, along with the further procedures we performed and our conclusions.

Our conclusions are summarised below. Our auditor's report, taken to the September Audit and Governance Committee contains details of the significant weakness in arrangements, as required by the code. Note we confirm there have been no changes to our overall judgements since the draft report was taken to the committee in September and the date of this report.

| Criteria | Risk assessment | 2021/22 Auditor Judgment | |
|--|---|--------------------------|--|
| Financial sustainability | Risks identified relate in the main due to uncertainties in relation to the Councils Medium Term Financial Plans and associated transformation programme and delivery of savings. | | 2 Significant weaknesses in arrangements identified (SW1) and (SW2), 2 key recommendations and 4 improvement recommendations made. |
| Governance | Significant risks identified in Governance in relation to leadership, partnerships and the Transformation programme | | No significant weaknesses in arrangements identified, 7 improvement recommendations made |
| Improving economy, efficiency and effectiveness | Risk identified because of the inadequate rating issued by Ofsted in respect of children in care | | 2 Significant weaknesses in arrangements identified (SW4) and (SW5), 2 key recommendations and 2 improvement recommendations made |
| <div> <div></div> <div>No significant weaknesses in arrangements identified or improvement recommendation made.</div> </div> <div> <div></div> <div>No significant weaknesses in arrangements identified, but improvement recommendations made.</div> </div> <div> <div></div> <div>Significant weaknesses in arrangements identified and key recommendations made.</div> </div> | | | |

5. Independence and ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms)). In this context, we disclose the following to you:

As discussed with the Section 151 Officer on 13th October 2021, the former deputy section 151 officer of the Council, has taken up employment with Grant Thornton post-year end. We have considered the ethical implications of this change of employment and we have ensured that appropriate safeguards have been in place since his commencement of employment with us.

These safeguards include the following:

- Him not having any involvement [covered person] in the BCP Council audit or its affiliates - this will be for a minimum of 2 years
- He will not be a people manager in his new role, he will therefore not people manage any of the BCP team and is therefore not able to exert influence over anyone who works on the audit
- Restricting his access to any files or documents relating to BCP or its affiliates, and ensuring he is not present at any meetings where audit issues are discussed.
- Confirming that he has resigned from the role as Director of Finance for Seascope Group Ltd, a company wholly owned by the council and companies house is aware of this.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

5. Independence and ethics

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The following non-audit services were charged in respect of 2021/22. A full list of payments of non audit services are provided on slide 49

| Service | Fees £ | Threats identified | Safeguards |
|---|------------------------------|--|---|
| Audit related | | | |
| Certification of Housing capital receipts grant | £7,500 (£5,000 for 20/21) | Self-Interest (because this is a recurring fee) | The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £7,000 in comparison to the estimated fee for the audit £213,875 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. |
| | | Self review (because GT provides audit services) | To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants. |
| | | Management | A management threat could be perceived as providing information to DLUHC is the responsibility of management. The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the assignment in line with the Reporting Accountant Guidance issued by DLUHC and on its completion issue a report of factual findings. |
| Certification of Teachers Pension Return | £7,500 (£5,000 for 20/21) | Self-Interest (because this is a recurring fee) | The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £7,500 in comparison to the total fee for the audit of £213,875 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. |
| | | Self review (because GT provides audit services) | To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants. |
| | | Management | A management threat could be perceived as providing information to the Teacher's pension is the responsibility of management. The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the engagement in line with the Reporting Accountant Guidance issued by the Teacher's Pension. |

5. Independence and ethics

Audit and non-audit services

| Service | Fees £ | Threats identified | Safeguards |
|---|---|--|---|
| Audit related | | | |
| CFO Insights Subscription | £10,000 (£7,692 for 20/21) | Self-Interest (because this is a recurring fee) | The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the estimated fee for the audit of £213,875 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. |
| | | Self review (because GT provides audit services) | The audit will consider the accounting treatment of the payments made and this is not part of CFOi service. The work will be undertaken by a team independent of the audit team |
| | | Management | We are not taking any managerial responsibilities at the client. The scope of work does not include making decisions on behalf of management. |
| 56 Certification of Housing Benefit Claim | £27,900 (£22,650 for 20/21, £19,000 for 19/20) | Self-Interest (because this is a recurring fee) | The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £27,900 in comparison to the total estimated for the audit of £213,875 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. |
| | | Self review (because GT provides audit services) | To mitigate against the self review threat, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants. |
| | | Management | A management threat could be perceived as providing information to DWP is the responsibility of management. To mitigate against the management threat we perform the proposed service in line with the instructions and reporting framework issued by DWP and will report to DWP, with a copy of our report being provided to the local authority at the same time. |

These services are consistent with the group's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit and Governance Committee. None of the services provided are subject to contingent fees.

5. Independence and ethics

As part of our assessment of our independence we note the following matters:

| Matter | Conclusion |
|---|---|
| Relationships with Grant Thornton | We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity |
| Relationships and Investments held by individuals | We have not identified any potential issues in respect of personal relationships with the Group or investments in the Group held by individuals |
| Employment of Grant Thornton staff | We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas. |
| Business relationships | We have not identified any business relationships between Grant Thornton and the Group |
| Contingent fees in relation to non-audit services | No contingent fee arrangements are in place for non-audit services provided |
| Gifts and hospitality | We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff. |

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person [and network firms] have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Appendices

A. Action plan – Audit of Financial Statements

We have identified a number of recommendations for the group as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

| Assessment | Issue and risk | Recommendations |
|------------|---|--|
| 59 | <p><u>Property, plant and equipment</u></p> <p>Given the number of issues identified in the audit work on property, plant and equipment and the significant time it took to complete our work in this area we have made a number of recommendations to management to improve this area of the accounts and audit going forward.</p> | <p>In relation to property, plant and equipment we recommend</p> <ul style="list-style-type: none"> • The finance team should work closely with estates to ensure all parties are clear on their roles within the valuation process. • Modern Equivalent Asset (MEA) assumptions should be considered by management as part of the valuation process • Management should review assumptions with the valuer for Highclife Castle due to the unique nature of the asset to ensure they are appropriate and consistent with Council records. • Management should consider the EPC rating of assets, in particular, investment properties to align with energy standards and to assess if capital expenditure will be required to bring assets up to the required standards. • For one asset, the information provided to the valuer was not the most up to date and therefore the valuation was inappropriate and required an updated valuation. We recommend management work alongside estates team to ensure information provided to the valuer is up to date and complete <p>Although management use an expert to support them in determining the valuations, it is managements responsibility to ensure the information they are provided with is accurately reflected in the statement of accounts and that valuation reports are reviewed for any unusual or unexpected movements, and these are then discussed with the valuer.</p> |
| | <p>Controls</p> <ul style="list-style-type: none"> ● High – Significant effect on financial statements ● Medium – Limited Effect on financial statements ● Low – Best practice | |

A. Action plan – Audit of Financial Statements

60

| Assessment | Issue and risk | Recommendations |
|------------|--|--|
| | <p><u>Prepayments</u></p> <p>We identified an item within our debtors testing which was accounted for as a prepayment. However on review of supporting evidence it was identified that although the invoice and purchase order were dated March 2022, the invoice was not paid until April 2022 and therefore was not a prepayment in 2021/22.</p> <p>This resulted in corresponding debtors and creditors balance for this item but this should have been included within the balance sheet in 2021/22.</p> | <ul style="list-style-type: none"> We recommend management review their processes for accounting for prepayments, ensuring prepayments are only raised where the item has in fact been paid before year end. <p>Management response</p> <ul style="list-style-type: none"> [...] |
| | <p><u>Receipts in advance</u></p> <p>We identified a number of receipts in advance where the item had been recorded as a receipt in advance in full when only part of the item had actually been received in advance.</p> <p>This resulted in creditors and debtors being incorrect for these items.</p> | <p>We recommend management review their processes for accounting for receipts in advance, ensuring only the element of the item that has been received is accounted for in advance..</p> <p>Management response</p> <ul style="list-style-type: none"> [...] |
| | <p>Information Technology</p> <p>7 recommendations have been identified in relation to the IT control audit. A separate IT report has been shared with management providing the detail.</p> | <p>Management should continue to implement the recommendations as set out in the detailed IT report.</p> <p>Management response</p> <ul style="list-style-type: none"> [...] |
| | <p>3 recommendations have been made in respect of internal control – see page 22 for these.</p> <p>A number of prior year recommendations are still in place – see page 37 – 40 for these.</p> | <p>See pages 22 and 37 - 40</p> |

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Follow up of prior year recommendations

We identified the following issues in the audit of Bournemouth, Christchurch and Poole Council's 2020/21 financial statements, which resulted in 10 recommendations being reported in our 2020/21 Audit Findings report. A number of these are still outstanding or need further actions from management.

| Assessment | Issue and risk previously communicated | Update on actions taken to address the issue |
|------------|---|--|
| X | <u>Information Technology</u> 12 recommendations have been identified in relation to the IT control audit. A separate IT report has been shared with management providing the detail. This report was discussed with the Audit and Governance Committee in October. Further details are recorded on page 26. | The councils new finance system due to go live on the 1 st April 2023 and therefore this recommendation is still outstanding in 2021/22. |
| X | <u>Financial Statements – Presentations and working papers</u> As identified in the previous year, the Council remains on a journey to fully integrate its financial systems. A number of errors were identified in the financial statements and the quality of evidence provided to support the financial statements is not always sufficient. There remains the need to focus attention on providing the right information first time and with suitable supporting evidence to support samples selected for testing | The Council undertook a quality review of the 2021/22 financial statements once the 2020/21 audit was complete to reflect issues found in the 2020/21 audit. We have noted improvement in the audit process from the prior year however continue to recommend that management improve it's quality review process going forward. |

Assessment

- ✓ Action completed
- X Not yet addressed

Assessment

Issue and risk previously communicated

Update on actions taken to address the issue

X

Land and Buildings

The council has a significant portfolio of land and buildings assets. The valuation of these assets is managed by the estate development who instruct valuation specialists to undertake valuations in accordance with the Council's policy. Three valuation specialists are currently engaged, including a new valuer for the whole general fund.

The Council has designed a number of controls to ensure that large movements in asset values and potential errors can be identified and resolved, however our work has determined that comments made by the valuer are not being reviewed and followed up allowing errors to occur in the financial statements.

We reported last year that legacy Bournemouth valuations could not always be supported by floor plans and the Council has undertaken a process to produce floor plans for its assets. Our testing of valuation reports identified that although floor plans had been obtained, the correct details had not been uploaded to the Council's TF Cloud System which the valuer used to produce his valuations. This has allowed errors to again be present in the valuations provided.

Management also produced the financial statements using draft valuation figures resulting in incorrect figures being used to produce the financial statements.

The format of the valuation report which separated legacy Bournemouth assets from those acquired from other legacy authorities and including operational, surplus, investment and charity assets in one report also required significant work to reconcile to the asset register.

During its first year of operation, the Council focused on ensuring that all assets from its legacy entities were captured. The fixed asset register consists of manual excel spreadsheets and this increases the potential error

Although the Council has implemented controls to assess the property valuations received it is evident that sufficient challenge of these figures remains lacking

Given a number of errors and issues were identified with the 2021/22 land and buildings valuations, we will continue to recommend management focus on this area.

Management response

- [...]

| Assessment | Issue and risk previously communicated | Update on actions taken to address the issue |
|------------|---|--|
| X | <p><u>Payroll System</u></p> <p>The Council currently has two payroll systems inherited from its legacy bodies. In addition 10 schools, mainly in the Christchurch area, engage Dorset Council to provide payroll services. The reconciliation between the output of these payroll systems and the financial systems was not straight forward and caused delays in our ability to perform our testing</p> <p>Our testing also identified that contract documentation for a number of employees sampled were not available for review</p> | <p>The payroll reconciliation continues to require significant auditor input.</p> <p>We did not identify any further issues regarding contract documentation.</p> <p>Management response</p> <ul style="list-style-type: none"> [...] |
| X | <p><u>Journals</u></p> <p>The Council has five finance managers, with responsibility to authorise journal entries posted by more junior staff. Our journal testing has identified that three finance managers are instructing junior staff to post journals which they then subsequently authorise. This renders the underlying control ineffective and more junior staff are less likely to challenge the purpose of any journal.</p> | <p>We did not identify any instances in relation to the three managers instructing others to post journals on their behalf in 2021/22.</p> <p>However, we did identify one different manager who did instructs others to post journals on their behalf. We have made a further recommendation in relation to this.</p> <p>Management response</p> <ul style="list-style-type: none"> [...] |
| X | <p><u>Bad debt policy</u></p> <p>Management has not yet set up an aligned debt management policy for the whole of the Council to define actions in the case of non-recoverability and regular review of historic debts that are held on the system.</p> | <p>Our review of the bad debt policy identified different proposed percentages for outstanding debt for sundry debtors than the percentages being used in practise. The policy does not cover actions in case of non-recoverability and regular review of historic debts.</p> <p>Management response</p> <ul style="list-style-type: none"> [...] |

| Assessment | Issue and risk previously communicated | Update on actions taken to address the issue |
|------------|--|---|
| X | <p><u>Bournemouth council house asset register</u></p> <p>As the Council continues to align its processes following reorganisation, the recording of the council house assets in the underlying records for the Poole neighbourhood is maintained at a greater level of detail than is the case for Bournemouth assets. This allows for a more detail of the underlying asset base and corresponding revaluation reserve to be provided.</p> | <p>This will be implemented from 2022/23 as the management of Poole and Bournemouth housing has returned in house therefore the asset register will be produced on a consistent detailed level.</p> <p>Management response</p> <ul style="list-style-type: none"> • [...] |
| TBC | <p><u>Infrastructure impairments</u></p> <p>The Council has arrangements in place to monitor the condition of infrastructure assets and this activity informs the annual maintenance programme and that informal inquiries are made of the relevant service departments, but no formal written impairment review document is prepared at that time.</p> | <p>Our work in this area is still in progress.</p> |
| TBC | <p><u>Infrastructure asset lives</u></p> <p>During the audit, we identified that the assigned asset lives for infrastructure were not fully aligned between assets acquired from the different legacy authorities. We also noted that infrastructure additions during the year, were not in line with the Council's policy. We also identified that infrastructure additions in the legacy authorities were not recorded in the asset register in sufficient detail. There is a risk that asset lives allocated do not reflect the expected period of use and that depreciation is not uniformly charged across the asset base.</p> | <p>Our work in this area is still in progress.</p> |
| X | <p><u>Leases</u></p> <p>Our review of the accounts noted that there had been a significant movement in the disclosures of both finance and operating leases where the Council is the lessor. Our testing identified a number of errors and omissions within this note.</p> | <p>We continued to identify a number of issues on our review of the lease disclosures within the accounts. This continues to be an area the Council need to improve their records and working papers to ensure accurately disclosed figures within the notes.</p> <p>Management response</p> <ul style="list-style-type: none"> • [...] |

C. Audit Adjustments

Impact of unadjusted misstatements

There are no unadjusted misstatements.

Impact of prior year unadjusted misstatements

There are no prior year unadjusted misstatements.



C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

66

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

| Detail | Comprehensive Income and Expenditure Statement £'000 | Statement of Financial Position £' 000 | Impact on total net expenditure £'000 |
|--|--|---|---------------------------------------|
| As part of our debtors testing, a prepayment was selected for testing and the supporting evidence showed that the invoice and purchase order were received however payment was not made until after year end. This item should not have been accounted for as a prepayment in 2021/22. | Nil impact | Dr Creditors £3.109m Cr Prepayment £3,109m | Nil Impact |
| An instant access account was incorrectly classified as a short-term investment when it's correct classification is cash and cash equivalents. Short term investments overstated £29.975m Cash and Cash equivalents understated £29.975m | Nil impact | Dr Cash and Cash Equivalents £29.975m Cr Short Term Investments £29.975m | Nil impact |
| As part of our creditors testing we identified receipts in advance where the full amount of the item was accounted for as a receipt in advance when only a portion of the amount had in fact being receipted in advance. | Nil impact | Dr Debtors £5.660m Cr Trade Receivables outstanding £5.660m | Nil impact |

C. Audit Adjustments

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

| Detail | Comprehensive Income and Expenditure Statement £'000 | Statement of Financial Position £' 000 | Impact on total net expenditure £'000 |
|---|---|---|--|
| <p>Given the timing of the publication of the accounts, the Council uses prior year audited accounts of the three consolidated charities for the group accounts, adjusting these for changes to the material land and buildings figures.</p> <p>On reperformance of the group consolidation schedule, it was noted that there were differences in the total group income and expenditure above triviality when using the audited current year figures compared to the prior year figures. The consolidation therefore was redone using the current year audited accounts.</p> | <p>Dr Expenditure £0.804m</p> <p>Cr Income £1.108m</p> | | <p>Decrease in net expenditure £0.304m</p> |
| <p>Property, plant and Equipment:</p> <p>A number of adjustments were made to the property, plant and equipment notes as set out on pages 11-14 of this report. Our work on this is on going and therefore we are unable to quantify the errors at this stage.</p> | TBC | TBC | TBC |
| <p>As a result of an amended made by the Council prior to the audit, followed by the update due to the Triennial valuation dated 31/03/2022, there has been an decrease in the value of the Council's share of the Pension Fund net liability.</p> | <p>Dr Remeasurement of the net defined benefit liability £63.203m</p> | <p>Dr Pensions liability £75.127m</p> <p>Cr Pensions reserve £75.127m</p> | TBC |
| Overall impact | TBC | TBC | TBC |

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission | Auditor Comments | Adjusted? |
|--|---|-----------|
| Note 1c – expenditure and income analysed by nature | The REFCUS balance reported in Note 1c was amended by the Council prior to the note being audited, decreasing REFCUS by £0.786m. This amendment also impact the grant income note. | ✓ |
| Note 1c – Income from contracts with service recipients | The income from contracts with service recipients note included all fees, charges and other service income. We challenged whether this was correct and on further review the Council that the disclosure did include income which did relate to contracts with service recipients. The note has been updated to reflect this. As the change to the note is material, the prior year note has also been updated to reflect the change. | ✓ |
| Note 9 – other operating expenditure | Net cost of disposal overstated £0.721m. This adjustment was identified and made by the Council prior the note being audited. | ✓ |
| Note 11 / Note 30 - Taxation and non specific grant income | The Local Council Tax Support Scheme grant £3.835m was incorrectly included within NNDR Section 31 Grant in note 11. This has been moved to Note 30 | ✓ |

C. Audit Adjustments continued

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission | Auditor comments | Adjusted? |
|---|---|-----------|
| Note 12 – Property, Plant and Equipment | <p>A number of error were identified and amended within the property, plant and equipment note including:</p> <ul style="list-style-type: none"> - reclassification of Holes Bay from Other land and buildings to surplus assets (£15.587m). As this error identified was material and impacted the prior year, the Council also adjusted the prior year figures to correct this error. Adjustment made: <p>2021/22:</p> <ul style="list-style-type: none"> Cr other land and buildings £15.587m Dr surplus assets £15.587m <p>2020/21:</p> <ul style="list-style-type: none"> Cr land and building additions £15.703m Dr surplus assets additions £15.703m <ul style="list-style-type: none"> • note 12 missing the ‘effects of change in estimates’ disclosure • note 13 missing disclosure for transfers between fair values, missing narrative to disclose if there was or there was no change in evaluation techniques • the revaluations table within note 12 incorrectly showed all HRA assets as revalued however HRA assets under construction and HRA plant and equipment are valued at historic costs. The table was updated to reflect this. <p>Our work in this area is still on going</p> | TBC |

C. Audit Adjustments continued

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission | Auditor comments | Adjusted? |
|---|---|-----------|
| Note 12.1 – Infrastructure Assets | Prior to the infrastructure assets note being audited, the Council updated the note to reflect the findings from the prior year audit in relation to infrastructure assets. | ✓ |
| Note 14 – Financial Instruments | A number of errors were identified within the financial instruments note which have been amended. The Council also updated the format of their financial instruments note. | ✓ |
| Note 16 – Officers remuneration – bandings note, officer salaries table and exit packages | Errors identified and amendment within the officer's remuneration notes for - employers pension amounts for two senior officers were incorrect - two employee terminations were removed and one termination classification was changed. | ✓ |
| Note 29 – Dedicated Schools grant | The dedicated schools grant note was updated by the Council prior to the note being audited to include the DSG usable reserve position at the end of 2020/21 and 21/22 | ✓ |
| Note 30 – Grant Income | | |

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission | Auditor recommendations | Adjusted? |
|--|---|-----------|
| Note 22 and Note 23 – Cashflow Statement notes | <p>Prior to auditing the cashflow statement and notes, the Council made a number of adjustment to the cash flow statement. These amendments had no overall impact on the overall cash and cash equivalents at the end of the period.</p> <p>From our review of the cashflow statement and notes, we identified the proceeds from short term and long term investments were incorrectly shown as an adjustment to the surplus or deficit on the provision of services when should be shown within investing activities. As this was a material adjustment, the Council also updated the prior year figures to reflect this.</p> <p><u>2021/22:</u></p> <p>Proceeds from ST and LT investments (adjustments for items that are investing and financing activities) – adjusted from £1,039m to zero</p> <p>Proceeds from ST and LT investments (CFS Investment activities) – adjusted from zero to £1,039m</p> <p><u>2020/21:</u></p> <p>Proceeds from ST and LT investments (adjustments for items that are investing and financing activities) – adjusted from £2,314m to zero</p> <p>Proceeds from ST and LT investments (CFS Investment activities) – adjusted from zero to £2,314mm</p> <p>These changes are also reflected on the face of the cash flow statement for 2020/21 and 2021/22.</p> | |

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission | Auditor recommendations | Adjusted? |
|--|--|-----------|
| Note 33 Leases | Prior to us auditing the leases notes, the Council made a number of adjustments to the notes in light of the findings from the 2020/21 audit. On our review of the updated notes, we identified several issues which resulted in further amendments to the note. | ✓ |
| HRA Income and Expenditure Statement | Prior to auditing the HRA income and expenditure statement, the Council increased the gain on disposal of HRA fixed assets by £722k | ✓ |
| Collection Fund Statement | Prior to auditing the collection fund statement, the Council amended the statement reducing overall income by £84m and overall expenditure by £84m. The format of the collection fund was also updated post audit review. | ✓ |
| Notes to the collection fund – distribution of estimated balance | Prior to auditing the collection fund notes, the Council amended the distributed of estimated balance note reducing the total by £4.897m | ✓ |
| Note 35 – Defined Benefit pension scheme | The defined benefit pension scheme notes were updated to reflect the changes due to the Triennial review. | ✓ |

D. Fees

We confirm below our final fees charged for the audit and provision of non-audit services

| Audit fees | Proposed fee | Final fee |
|---|--------------|-----------|
| BCP Council Audit (scale fee element £130,000) | £213,875 | TBC |
| Additional work required on IAS19 disclosures (as explained on page 15) | £0 | £6,000 |
| Total audit fees (excluding VAT) | £213,875 | TBC |

| Non-audit fees for other services | Proposed fee | Final fee |
|--------------------------------------|--------------|-----------|
| Audit Related Services | £42,900 | £42,900 |
| Other – CFO insights | £10,000 | 10,000 |
| Total non-audit fees (excluding VAT) | £50,300 | TBC |

| Other Non-audit fees billed from 1 April 22 – November 23 (relating to 19/20 and 20/21) | Amounts billed |
|---|----------------|
| Audit Related Services | £51,584 |
| Other – CFO insights | £7,692 |
| Total non-audit fees (excluding VAT) | £50,300 |

Audit fees reconciliation to fees included within Statement of Accounts:

Per note 28:

Total fee payable in respect of audit £0.256m: this relates to £0.213m for the BCP Council audit (agreed to above), £0.038m for grant claims and returns (difference of £4.9k to above due to difference in planned and actual fees) and £5k in relation to the prior year grant claims (in relation to teachers pension) and therefore not included above. The additional £0.006m shown above for IAS 19 disclosures has not been formally agreed and therefore is not included within the statement of accounts.

Fee payable in respect of other services £0.01m – this relates to the CFO insights fee and agrees to the above.

Audit fees for charities £0.037m – the charities are not audited by Grant Thornton and therefore the fee not included above.

E. Audit opinion

To be added



This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE



| | |
|----------------------------|---|
| Report subject | Review of the Council's Constitution - Recommendations of the Constitution Review Working Group |
| Meeting date | 30 November 2023 |
| Status | Public Report |
| Executive summary | <p>The report summarises the issues considered by the Constitution Review Working Group and sets out a series of recommendations arising from the Working Group for consideration by the Committee including proposed establishment of area-based planning committees and a transportation advisory group.</p> <p>Any recommendations arising from the Committee shall be referred to full Council for adoption.</p> |
| Recommendations | <p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> (a) in relation to Issue 1 (Planning Committee Structure and Arrangements) the proposed amendments to Parts 1, 2, 3, 4, 6 and 7, as set out in Appendix 1 to this report, be approved with an implementation date of 7 May 2024; (b) in relation to Issue 2 (Establishment of Transportation Advisory Group) the proposed amendments to Parts 2, 3 and 4 as set out in Appendix 2 to this report, be approved with an implementation date of 7 May 2024; (c) any necessary and consequential technical and formatting related updates and revisions to the Constitution be made by the Monitoring Officer in accordance with the powers delegated. |
| Reason for recommendations | To make appropriate updates and revisions to the constitution following consideration by the Working Group. |

| | |
|----------------------|--|
| Portfolio Holder(s): | Councillor Vikki Slade (Leader of the Council and Portfolio Holder for Dynamic Places) |
| Corporate Director | Ian O'Donnell (Director of Resources) |
| Report Authors | Richard Jones (Head of Democratic Services and Interim Monitoring Officer) |
| Wards | Not applicable |
| Classification | For Recommendation |

Background

1. The Terms of Reference of the Audit and Governance Committee include 'Maintaining an overview of the Council's Constitution and governance arrangements in all respects'.
2. In discharge of this responsibility the Committee established a Constitution Review Working Group of five of its Councillors. The current members of the Working Group are Councillor Phipps (Chair) and Councillors Andrews, Beesley, Castle and Connolly. The Working Group meets on a regular basis to consider requests for change. The Group receives advice from various officers including the Monitoring Officer and Head of Democratic Services. From time to time, as required, Officers and Councillors with specialist responsibility have been invited to have an involvement.
3. Recommendations that were agreed by Council have been implemented and incorporated into a revised and updated version of the Constitution and published on the Council's web site.
4. The Working Group considers suggestions received from a wide variety and range of sources including input from Councillors and Officers.

Format

5. Throughout the work of the Group a 'Forward Plan' of issues has been maintained and added to as additional issues have arisen. This approach will continue to be adopted for capturing future issues.
6. Any proposed changes to the Constitution are shown with track changes in the appendices to this report. Any references to page numbers are to pages within the current published Constitution.

Options Appraisal

7. Following the elections in May 2023, the new administration indicated a desire to review the meeting arrangements for Overview and Scrutiny, Planning Committee and Traffic Regulation Order decision-making. The arrangements for Overview and Scrutiny Committee were considered in September 2023 and have been implemented.
8. This paper focuses on the arrangements for Planning Committee and Traffic Regulation Order decision-making.
9. The Working Group considers carefully whether or not changes are necessary on each issue raised. If supported, the Working Group determines the proposed alterations to the wording which forms the basis of the recommendations to the Audit and Governance Committee. This report sets out the proposed changes following those deliberations.

10. For ease of reference, each matter considered will be referred to as an Issue with a corresponding number which will be referenced through the report and recommendations.

ISSUE 1 – PLANNING COMMITTEE STRUCTURE AND ARRANGEMENTS

11. The Council has operated with a single planning committee since establishment in April 2019, however, the establishment of area-based planning committees has been requested on many occasions during this period.
12. Many local authorities operate area-based planning committees which are typically seen to support commitments for more localised decision-making, community involvement and representation, an ambition of the current administration.
13. Area-based planning committees can equally present challenges which need to be carefully considered to establish safeguards, including risks to maintaining good performance levels for determining applications, consistency in decision-making and the application of policies, public participation, and ward representation. These issues are addressed in this report.

Proposed Model for Area-Based Planning Committees

14. As indicated above, the new administration has indicated a desire to review the arrangements for planning committees and to establish area committees. In support of this direction the Working Group propose the following principles:-
 - The number of area-based planning committees should be two, split on an east and west basis, and named Eastern BCP Planning Committee and Western BCP Planning Committee. The Working Group noted that the planning service was being restructured to establish east and west teams and alignment would be desirable.
 - The dividing line between the two areas to be coterminous with formal ward boundaries.
 - The two areas to be determined using historical data to provide, as far as practicably possible, an equal balance of workload for the service areas, committee workload and the number of councillors.
 - The referral of applications which fall in both area-based committees to be allocated to the committee with the greatest proportion of land area.
 - The preferred number of members on each committee to be 11.
 - Political balance rules to be applied to each committee but encourage local representation from political groups where possible.
 - Substitutes members to be permitted.
 - Quarterly briefing for all area-based planning committee members to be held to promote consistency.
 - Meetings of each area committee to be held in the daytime as at present but on alternating two-weekly schedules and at the Civic Centre in Bournemouth.

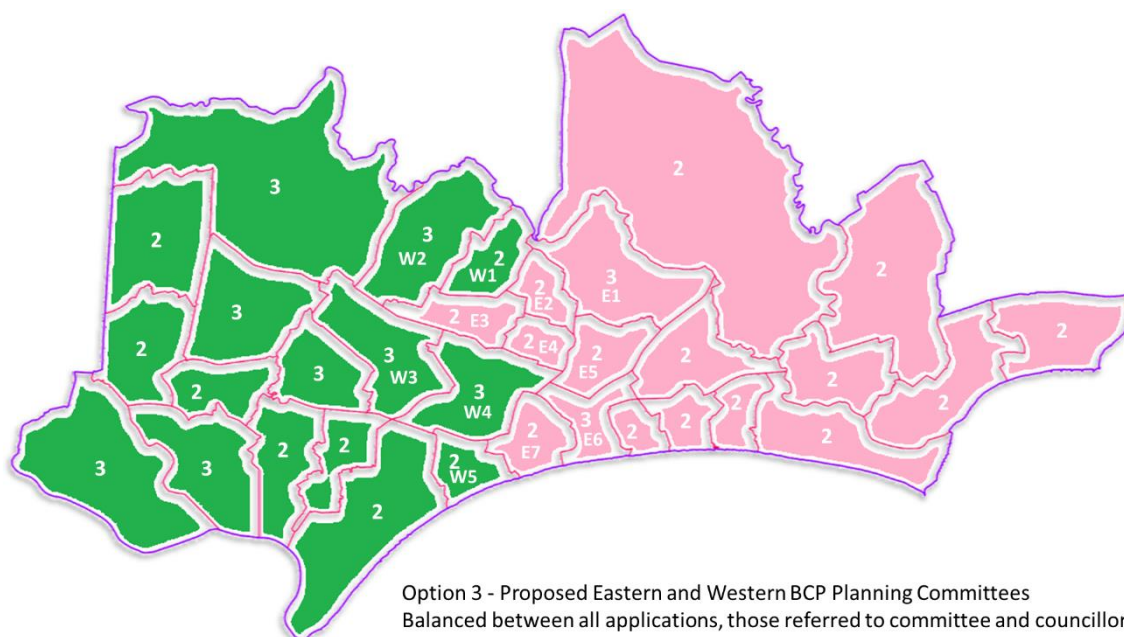
Division of Areas

15. The Working Group was advised that the planning service was currently in the process of establishing two area-based teams to administer planning applications, also based on an east and west split. Members were keen to ensure that as far as practicably possible, the committees reflected this split but also wished to seek a fair distribution of workload for each committee.

16. An analysis was therefore undertaken of the total number of registered planning applications and the number of applications referred to committee by ward. There are many ways to divide the BCP area with each resulting in slightly varying outcomes. The table below illustrates the three primary options considered.

| | Proportion of applications registered (since 2020) | Proportion of applications referred to committee (since 2019) | Number of ward councillors within area |
|-----------------|--|---|--|
| Option 1 | | | |
| Western | 51.2% | 50% | 42 |
| Eastern | 48.8% | 50% | 34 |
| Option 2 | | | |
| Western | 47.2% | 49% | 38 |
| Eastern | 52.8% | 51% | 38 |
| Option 3 | | | |
| Western | 49.3% | 49.7% | 40 |
| Eastern | 50.7% | 50.3% | 36 |

17. Option 1 can be seen to provide an even distribution of workload for the committees, however, it is disproportionately divided on the number of councillors between the two areas and is uneven in terms of overall service workloads.
18. Option 2 establishes a better balance on the distribution of councillors, however, this presents the greatest disparity between the two areas for the number of applications for the service and this could have a detrimental impact on performance for the eastern team assuming the ambition is to equally resource each area team.
19. Option 3 does have a small disparity in councillor presentation, however, this option provides the closest combined division of workload for both the committee and perhaps more importantly the core service. The map and table below illustrate the proposed division of wards between the two committees. The single digit numbers indicate the number of ward councillors, and the 'W' and 'E' references identify the wards running along the boundary line as identified in the table overleaf.



| Western BCP Planning Committee | | | | Eastern BCP Planning Committee | | | |
|--------------------------------|-----------------|---------------|------------|------------------------------------|-----------------|---------------|------------|
| Ward | Registered apps | Referred apps | Ward Cllrs | Ward | Registered apps | Referred apps | Ward Cllrs |
| Alderney & Bourne Valley (W3) | 388 | 9 | 3 | Boscombe East & Pokesdown | 458 | 10 | 2 |
| Bearwood & Merley | 462 | 11 | 3 | Boscombe West | 311 | 2 | 2 |
| Broadstone | 560 | 14 | 2 | Bournemouth Central (E7) | 698 | 13 | 2 |
| Canford Cliffs | 1144 | 24 | 2 | Burton & Grange | 286 | 0 | 2 |
| Canford Heath | 284 | 1 | 3 | Christchurch Town | 605 | 41 | 2 |
| Creekmoor | 277 | 2 | 2 | Commons | 587 | 22 | 2 |
| Hamworthy | 388 | 2 | 3 | East Cliff & Springbourne (E6) | 356 | 7 | 3 |
| Kinson (W2) | 423 | 3 | 3 | East Southbourne & Tuckton | 658 | 8 | 2 |
| Newtown & Heatherlands | 535 | 14 | 3 | Highcliffe & Walkford | 596 | 10 | 2 |
| Oakdale | 408 | 4 | 2 | Littledown & Ilford | 451 | 4 | 2 |
| Parkstone | 702 | 21 | 2 | Moordown (E2) | 357 | 4 | 2 |
| Penn Hill | 785 | 9 | 2 | Mudford, Stanpit & West Highcliffe | 676 | 10 | 2 |
| Poole Town | 660 | 11 | 3 | Muscliff & Strouden Park (E1) | 592 | 7 | 3 |
| Redhill & Northbourne (W1) | 333 | 2 | 2 | Queen's Park (E5) | 398 | 8 | 2 |
| Talbot & Branksome Woods (W4) | 139 | 9 | 3 | Wallisdown & Winton West (E3) | 298 | 1 | 2 |
| Westbourne & West Cliff (W5) | 436 | 14 | 2 | West Southbourne | 435 | 1 | 2 |
| | | | | Winton East (E4) | 385 | 4 | 2 |
| Total | 7,924 | 150 | 40 | Total | 8,147 | 152 | 36 |

1. Registered apps are the total number of applications registered with the planning service since 2020 to date.
 2. Referred apps are the number of applications referred to the planning committee since April 2019.
 3. Ward Cllrs is the number of councillors representing the respective ward.
20. It would be important to monitor any proposed division between the two respective areas and the Working Group was keen for an operational review to take place after 12 months of operation to secure efficient and effective delivery.

Cross-Boundary Applications

21. Inevitably there will be planning applications which cross-over the boundary line between the two respective committees. The Working Group were keen to establish arrangements which were clear to determine and avoided additional bureaucracy.
22. The Working Group dismissed options for a third committee to deal with strategic and cross-boundary applications, were reluctant to support a joint committee of potentially 22 councillors or planning applications being referred to both committees and consequential dispute resolution requirements.
23. The preferred option of the Working Group, for applications which fall within the boundary of both committees, was for the application to be referred to the committee within which the majority of the red line application site area falls within. It would be necessary to establish provisions where the calculated area was the same, and this is provided for in the proposed constitution provisions.

Political Balance Provisions

24. The Working Group debated the options for appointing committees other than by political balance.
25. Local Authorities are permitted to appoint area committees where the composition of which may be drawn from the members of the Council whose ward falls wholly or partly within the geographical area of the committee. However, there are conditions applied which would make this practicably challenging.

26. The conditions require that each area committee may not exceed two-fifths of the total population or geographical area of the Council as a whole.
27. Whilst it may be possible to mathematically create two area committees with one being below two-fifths of the total geographical area and the other below two-fifths of the total population for the area, this would be extremely complex and require constant monitoring as population figures change. Practicably this is only feasible where three or more area committees are established.
28. The allocation of seats by political balance to each political group would be a matter for Council at the annual meeting. The Working Group were minded to encourage local representatives by political groups where possible. It was further noted that councillors may wish to serve on both area committees. Whilst this would result in a heavy workload, it would have a positive benefit of promoting consistency of decision-making.

Mitigating other risks

29. As referred to in paragraph 13, there are inherent risks with area-based planning committees which require mitigation. The keys risks identified by other authorities operating area committee include risks to maintaining good performance levels for determining applications, consistency in decision-making and the application of policies, public participation, and ward representation.
30. In order to maintain good performance levels for determining applications, it is important for committees to meet frequently. The proposal is for the two committees to each meet at approximately four weekly intervals on a Thursday morning as at present but alternating bi-weekly (for example, the Western committee meeting in weeks 1, 5, 9, etc., and the Eastern committee meeting in weeks 3, 7, 11, etc.). With this proposed frequency of meetings, it will be essential that the committees and chairs have regard to the wider schedule of meetings and the availability of accommodation and officers if additional meetings are required.
31. To ensure consistency in decision making and the application of policies, it is proposed that regular briefing sessions are scheduled on a quarterly basis for all members and potential substitutes of the committees to share experiences and for issues of new and existing policy to be discussed. It was further suggested that regular updates be provided on decisions reached at the respective committees to increase awareness. Training was also considered vital for all members and substitutes on planning committee and this has been strengthened accordingly in the proposed constitution changes. A new section has been inserted in Article 8 referencing mandatory training. This includes reference to Planning Committee and TAG, the subject of this report, together with Licensing and Appeals committees, as the other quasi-judicial committees.
32. There can be a risk with area committees that all members from an individual ward are appointed to serve on the localised committee and thus diminishing the representative role for local community interests. This should not be a significant issue with only two committees but it will be necessary for political group leaders to liaise to ensure ward representation is maintained.
33. There are no changes proposed to public participation or other procedures, which shall apply equally to both committees.

Constitution Changes

34. The proposed changes to the planning committee arrangements require alterations to various parts of the Constitution. The changes are largely cosmetic to reflect the establishment of two area-based committees but are included for completeness. The changes are too numerous to embed within this report and have therefore been appended to this report at Appendix 1. The changes are shown in red and include changes to the following Parts.

- Part 1, paragraph 3.7 (Other Committees), [Page 1-3]
- Part 2, Article 8 (Other Committees), [Page 2-19]
- Part 3A (Responsibility for Functions), [Pages 3-6 to 3-10] (Function of Planning Committees), and consequential changes to [3-47 to 3-48 (Specific Delegations of particular relevance to the Chief Operations Officer)
- Part 4D (Meeting Procedure Rules), [Pages 4-42 and 4-53 to 4-56]
- Part 6, Schedule 3, paragraph 1.1 (Local Code of Best Practice relating to Planning Matters), [Pages 6-24 to 4-34]
- Part 7 (Scheme of Members' Allowances), [Page 7-3] – It should be noted that the change to Part 7 is simply to reflect that two chairs will be appointed. The amount payable by way of the Special Responsibility Allowance will be reviewed by the Independent Remuneration Panel.

35. RECOMMENDATION

It is RECOMMENDED that in relation to Issue 1 (Planning Committee Structure and Arrangements) the proposed amendments to Parts 1, 2, 3, 4, 6 and 7, as set out in Appendix 1 to this report, be approved with an implementation date of 7 May 2024.

ISSUE 2 – ESTABLISHMENT OF TRANSPORTATION ADVISORY GROUP (TAG)

36. The Council currently refers all traffic regulation orders and other transport related matters to meetings of Cabinet for approval. The administration has indicated a desire to promote community involvement and local representation on issues which affect specific localities and have requested the Working Group to consider the introduction of a Transportation Advisory Group.
37. The Working Group considered the potential for establishing such a Group and are recommending that a Transportation Advisory Group be established from May 2024 based on the following principles:-
 - the membership comprise of one member from each formally constituted political group;
 - only non-executive members may serve on the group;
 - ward councillors may attend and make representations;
 - substitute members are not permitted;
 - training of TAG members shall be mandatory;
 - all TAG meetings shall be open to the public and, where practicably possible, live-streamed;
 - meetings of TAG be scheduled in the daytime and approximately two weeks before each Cabinet to allow decisions to be processed promptly;
 - where no significant or contentious objections are received in relation to a Traffic Regulation Order, the decision be delegated to officers.
38. In order to achieve these objectives, it is necessary to establish TAG as an informal consultative group rather than a formal advisory body reporting to Cabinet. Formal advisory bodies to Cabinet would have conditions imposed which would be contrary to a number of the above principles, namely political balance and executive membership.
39. To avoid unnecessary delays in determining traffic regulation orders and reduce the burden of additional reports, it is proposed to present a schedule of observations and

feedback arising from TAG to the subsequent meeting of Cabinet for determination. The schedule will contain details of TRO, the recommendations of officers, the feedback of TAG and, if different from the officer recommendation, the reasons for the variance. The Chair of TAG to present the schedule to Cabinet.

40. It should be noted that the ordinary procedure rules relating to public participation would not apply to TAG and it is proposed that TAG be permitted to adopt appropriate protocols to permit representations to be heard. This is provided for within the proposed constitution changes.

Constitution Changes

41. The proposed changes to the constitution relating to the introduction of the Transportation Advisory Group are shown in Appendix 2 to this report. The changes are shown in red and include changes to the following Parts.
 - Part 2, Article 8 (Other Committees), paragraph 8.1.3 [Page 2-20]
 - Part 3A, new Section 9 (Terms of Reference) [Page 3-21]
 - Part 3B, new 89A (Delegation to Officers) [Page 3-47]
 - Part 4D, Procedure Rule 13.3 (Public Participation) [Page 4-42]
 - Part 4D, Procedure Rule 23.5 (Substitutes) [Page 4-55]

RECOMMENDATION

It is RECOMMENDED that in relation to Issue 2 (Establishment of Transportation Advisory Group) the proposed amendments to Parts 2, 3 and 4 as set out in Appendix 2 to this report, be approved with an implementation date of 7 May 2024.

Resources

42. It was reported at the meeting of the Committee in September 2023 that the changes to the Overview and Scrutiny arrangements, the introduction of area-based planning committees and TAG, would require additional resources in Democratic Services and potentially to other service areas, including planning, legal and highways.
43. The Committee was advised that the estimated full-year additional manpower costs for Democratic Services to support all of these arrangements (Overview and Scrutiny, Planning and TAG) would be in the region of £56,000. The projected cost of introducing the additional planning committee and TAG is estimated at £41,300.
44. The establishment of an additional planning committee with meetings held every two weeks will stretch the limited resources available in the legal service. This will be monitored and options explored but it may be necessary to either increase resources or reduce the level of support at some meetings.
45. The process outlined for TAG is designed to limit the impact on the transportation team, however, this will need to be carefully monitored upon implementation when the full impact will be known.

Summary of financial implications

46. The report highlights the additional cost of implementing area-based planning committees and the transportation advisory group the subject of this report. The full year cost to support these additional activities is estimated at £41,300. The cost of an additional special responsibility allowance for the Chair of a second planning committee, based on existing allowances, is estimated at £10,834 from 2024/25 although this will be subject to review by the Independent Remuneration Panel. These costs will need to be included in the base budget for 2024/25 and are subject to a growth bid for the 2024/25 budget.

Summary of legal implications

47. The Constitution of the BCP Council complies with relevant legislation. Where appropriate, the Constitution references relevant legislation which underpins specific procedure rules.

Summary of human resources implications

48. The report highlights the additional manpower requirements to support the additional meetings resulting from the changes to the Planning and TAG arrangements. There is a risk that the changes will have a further impact on the planning, legal and highways services when the implications of these changes are better known.

Summary of sustainability impact

49. There are no sustainability implications arising from this report

Summary of public health implications

50. There are no public health implications arising from this report.

Summary of equality implications

51. The Constitution for BCP Council sets out the rights of public access to the democratic process. Where appropriate the Equality Officer is engaged on relevant issues.
52. The proposed Constitution changes contained within this report do not impact directly or indirectly upon service users and as a consequence there are no equality implications arising from this report.

Summary of risk assessment

53. The Constitution is a legally required document which prescribes the procedural and democratic arrangements for the proper governance of the Council

Background papers

Published works

Appendices

Appendix 1 – Proposed constitution changes relating to the introduction of area planning committees

Appendix 2 – Proposed constitution changes relating to the introduction of a transportation advisory group

This page is intentionally left blank

PART 1

SUMMARY AND EXPLANATION

Contents

| | |
|--|----------|
| Part 1 - Constitution - summary and explanation..... | 2 |
| 1. General..... | 2 |
| 2. The Constitution and its Content..... | 2 |
| 3. The Council and how it operates in making decisions | 3 |
| The Cabinet..... | 3 |
| Other Committees | 3 |
| Overview and Scrutiny | 4 |
| 4. How can I participate? | 4 |
| 5. What if I am not happy? | 5 |
| 6. More information | 5 |

Part 1 - Constitution - summary and explanation

1. General

- 1.1. The Council's Constitution sets out rules and procedures which explain how Council business is done and how decisions are made. This introduction should help you find what you are looking for in the Constitution.
- 1.2. Some of the processes in the Constitution are required by law while others are considered by the Council to be necessary to ensure that it operates effectively and efficiently; and in the interests of the people it serves.

2. The Constitution and its Content

- 2.1. The Constitution is divided into seven parts.

Part 1 sets out an explanation of what the Council is and how it works.

Part 2 sets out the formal articles of the Constitution:

| | |
|------------|---|
| Article 1 | The Constitution; |
| Article 2 | Councillors; |
| Article 3 | Rights and Responsibilities of Members of the public; |
| Article 4 | The Full Council; |
| Article 5 | The Role of the Chair of the Council; |
| Article 6 | Overview and Scrutiny; |
| Article 7 | The Leader of the Council and the Cabinet; |
| Article 8 | Other Committees; |
| Article 9 | Joint Arrangements; |
| Article 10 | Arrangements for promoting good standards of behaviour by Councillors; |
| Article 11 | Officers; |
| Article 12 | Decision Making; |
| Article 13 | Legal Matters; and |
| Article 14 | Review, Revision, Suspension, Interpretation and Publication of the Constitution. |

Part 3 sets out the responsibility of bodies and individuals for various functions carried out by the Council in relation to the exercise of its powers.

Part 4 contains the Rules of Procedure which are designed to regulate the conduct of the Council's business to ensure decisions are made in accordance with the law and the wishes of the Council.

Part 5 contains the Financial Regulations which provide the governance framework for managing the Council's financial affairs.

Part 6 includes the Code of Conduct for Councillors which is designed to ensure that Councillors carry out their duties to the highest ethical standards. It also includes a protocol on Councillor/Officer Relations.

Part 7 covers the Scheme of Councillors' Allowances.

3. The Council and how it operates in making decisions

- 3.1. The Council is composed of 76 Councillors elected every 4 years. Councillors are democratically accountable to the residents of their Ward. Councillors have a responsibility to the whole community, but in particular, to their ward residents, including those who did not vote for them.
- 3.2. The Council employs staff (Officers) whose job is to assist and advise Councillors and provide the services of the Council.
- 3.3. All Councillors meet together as a Full Council, approximately six times per year. Meetings of the Council are normally open to the public. Full Council is responsible for approving certain specific key policies for the Council and setting the budget and Council Tax each year.

The Cabinet

- 3.4. Every 4 years the Council appoints a Leader of the Council. The Leader appoints an additional number of Councillors to act as members of the Cabinet (not more than 10 in total including the Leader and a Deputy Leader). The Leader of the Council may appoint a Deputy Leader and may ask members of the Cabinet to take lead responsibility for specific services (usually referred to as Portfolio Holders). These are usually themed around the Council's main priorities.
- 3.5. The Cabinet is the part of the Council which is responsible for most day-to-day decisions. The Cabinet can make decisions that are in line with the Council's key policy framework and budget.
- 3.6. The Leader of the Council may also appoint up to six Lead Members to provide advice and support to the relevant Cabinet members. Lead Members do not have any delegated powers to take individual decisions.

Other Committees

- 3.7. Important decisions relating to planning and licensing matters are dealt with by separate Committees known collectively as Regulatory Committees. These are the [area-based](#) Planning Committees and the Licensing Committee.
- 3.8. The Standards Committee deals with the conduct of Councillors and is responsible for ensuring the arrangements the Council has to deal with complaints against Councillors are effective and that the Council operates to high ethical standards. The Audit and Governance Committee has responsibility for oversight of the Council's corporate governance arrangements and financial affairs. There are a number of other Committees which perform specific functions including some which operate jointly with other councils. The details are set out in the Articles in Part 2 of this Constitution.

Overview and Scrutiny

- 3.9. Councils operating a Leader and Cabinet model must make provision for at least one Overview and Scrutiny Committee. There is no single definition of Overview and Scrutiny. It is generally viewed as an umbrella term covering a wide range of possible roles. The Bournemouth, Christchurch and Poole Overview and Scrutiny function is based upon six principles:
1. Contributes to sound decision making in a timely way by holding decision makers to account as a 'critical friend'
 2. A member led and owned function – seeks to continuously improve through self-reflection and development
 3. Enables the voice and concerns of the public to be heard and reflected in the Council's decision-making process
 4. Engages in decision making and policy development at an appropriate time to be able to have influence
 5. Contributes to and reflects the vision and priorities of the council
 6. Agile – able to respond to changing and emerging priorities at the right time with flexible working methods
- 3.10. The Overview and Scrutiny Committees are appointed by full Council.

4. How can I participate?

- 4.1. The Council encourages every resident to register on the Council's Register of Electors and to vote in every local and national election that is organised. Further information can be obtained from the Council's website.
- 4.2. Residents have the right to contact their local Ward Councillors for assistance or about matters of concern. Contact details can be found on the website.
- 4.3. Most Council, Cabinet and Committee meetings will be open to the public and members of the public are welcome to attend. Agendas and reports are available on the Council's website in advance, as is the Calendar of Meetings for each Municipal Year (May to May). If the public require these documents in another format, we will do our best to assist.
- 4.4. The Constitution gives residents and others certain rights and opportunities to participate in decision making and contribute to certain meetings. These will depend upon the nature of the meeting and the procedures for asking questions, submitting petitions and taking part in certain meetings are contained within this Constitution and set out on the Council's website.
- 4.5. Public engagement is a guiding principle of Overview and Scrutiny. The public can get involved in Overview and Scrutiny in a number of ways, for example by:
 - attending meetings of the Committees;

- contributing evidence to an Overview and Scrutiny review;
- suggesting topics to be considered for Overview and Scrutiny.

5. What if I am not happy?

- 5.1. The Council operates a corporate complaints system, details of which can be obtained from the website or by contacting the Council by telephone.
- 5.2. If you think that a Councillor has breached the Code of Conduct, then you may lodge a complaint and details of the procedure are set out on the website or can be obtained by contacting the Council by telephone.
- 5.3. The Local Government Ombudsman will investigate cases where the Council's own complaints mechanism has not provided an adequate resolution of issues.

6. More information

- 6.1. For more information regarding any of the matters in this introduction, please refer either to the relevant section of the Constitution, or to the Council's Monitoring Officer or Democratic Services team. Contact details are published on the Council's website, and can also be obtained by contacting the Council's Customer Services.

Article 8 - Other Committees / Informal Consultative Groups

8.1. Other Committees

8.1.1. The Council will appoint the following other Committees to take such decisions which are not reserved to Full Council; the responsibility of the Leader / Cabinet or within the remit of Overview and Scrutiny:

~~a)~~ **Western BCP Planning Committee** – consisting of ~~14~~11 Councillors;

~~a)b)~~ **Eastern BCP Planning Committee** – consisting of 11 Councillors;

~~b)c)~~ **Licensing Committee** – consisting of 14 Councillors;

~~e)d)~~ **Standards Committee** – consisting of 7 Councillors;

~~d)e)~~ **Appeals Committee** – consisting of 7 Councillors;

~~e)f)~~ **Audit and Governance Committee** – consisting of 9 Councillors; and

~~f)g)~~ **Investigation and Disciplinary Committee** – consisting of 7 Councillors (including the Leader of the Council and another member of the Cabinet).

8.1.2. The Council may appoint other Committees, Sub-Committees and Special Committees with delegated powers to act under specific terms of reference which must be set out in the minutes of the meetings.

8.1.3. The Council will establish a Health and Wellbeing Board in accordance with the legislative requirements and statutory guidance, and the terms of reference for this Board are published on the website.

8.2. Powers of Committees

8.2.1. The Committees shall have the functions set out within Part 3 of this Constitution.

8.2.2. A Committee may, at any time, decline to exercise a delegated power. The matter must then be considered and determined by the Full Council as appropriate.

8.3. Informal Consultative Groups

The Council may establish informal advisory groups which shall not have any power to make decisions. The groups may be consulted on matters within the terms of reference approved by Council and as set out within Part 3 of this Constitution.

8.4. Training Requirements

No councillor shall sit as a member or, where applicable, as a substitute member of the following bodies unless they have received appropriate training provided for this purpose.

- a) Western BCP Planning Committee;
- b) Eastern BCP Planning Committee;
- c) Licensing Committee;
- d) Appeals Committee;
- e) Transportation Advisory Group.

8.3-8.5. Conduct of Committee Meetings

Committee meetings will be conducted in accordance with the law and the Procedure Rules set out within Part 4D of this Constitution.

- 1.15. Conferring honorary titles.
- 1.16. Making, amending, revoking, re-enacting and adopting byelaws and promoting and opposing the making of local legislation and personal bills in Parliament.
- 1.17. Any other function which, by law, must be reserved to the Full Council.

Full Council has delegated specific non-executive functions to the following bodies listed below.

2. Planning Committees

Western BCP and Eastern BCP Planning Committee comprising the following

Western BCP Planning Committee

Alderney & Bourne Valley
Bearwood & Merley
Broadstone
Canford Cliffs
Canford Heath
Creekmoor
Hamworthy
Kinson
Newtown & Heatherlands
Oakdale
Parkstone
Penn Hill
Poole Town
Redhill & Northbourne
Talbot & Branksome Woods
Westbourne & West Cliff

East BCP Planning Committee

Boscombe East & Pokesdown
Boscombe West
Bournemouth Central
Burton & Grange
Christchurch Town
Commons
East Cliff & Springbourne
East Southbourne & Tuckton
Highcliffe & Walkford
Littledown & Iford
Moordown
Mudeford, Stanpit & West Highcliffe
Muscliff & Strouden Park
Queen's Park
Wallisdown & Winton West
West Southbourne
Winton East

- 2.1. All matters relating to Town & Country Planning functions as set out in the planning and related Acts, are delegated to the relevant senior planning officer as set out in the Chief Executive's Scheme of Delegation to determine, other than those matters as set out below which shall be the responsibility of the respective area Planning Committee.

- 2.2. For the avoidance of doubt, applications falling within more than one Committee area shall be determined by the Committee in whose area contains the greater proportion of land within the red line application site boundary. In the event that the area within the red line application site boundary falls equally between the two committees, the relevant Chief Officer with responsibility for Planning (or any person nominated by them for such a purpose) shall determine, in consultation with both chairs, and having regard to the location

of any impacts of the proposal that the Chief Officer (or any person nominated by them for such purpose) considers relevant, to which of the two committees the report relating to the application will be taken for the determination to be made.

2.2.2.3. The Planning Committees haves responsibility to determine the following:

2.2.1.2.3.1. applications submitted by or on behalf of a Councillor or direct family (spouse or civil partner) of a Councillor for any property or land in which they have a financial interest;

2.2.2.2.3.2. applications submitted by or on behalf of a current Officer:

- a) working within the planning section; or
- b) at Tier 3 level and above; or
- c) direct family (spouse or civil partner) of Officers identified under 2.2.2 a) and b); or
- d) for any property or land in which they have a financial interest;

2.2.3.2.3.3. applications referred to the respective Committee by the relevant senior planning officer for one or more of the following reasons:

- a) applications where there are material planning issues that have not previously been considered within the Council's area;
- b) applications where a national or local planning policy is being tested for the first time within the Council's area;
- c) applications which have a significant impact on a wide number of businesses and / or people;
- d) applications which have a finely balanced Officer recommendation;
- e) applications by or on behalf of a planning Officer who has recently left the organisation or one of the preceding councils; and/or
- f) applications that the Head of Planning considers are potentially contentious and raise material planning issues, or would affect the wider public interest;

2.2.4.2.3.4. applications where the Council is the applicant or landowner for major development proposals as defined in the Development Management Procedures Order;

2.2.5.2.3.5. significant departure from Development Plan Policy which would be required to be the subject of consultation with the Secretary of State;

2.2.6-2.3.6. applications which require an Environmental Impact Assessment except where the relevant senior planning officer considers that approval of the application would not lead to significant environmental impacts;

2.2.7-2.3.7. an application which a Councillor requests should be referred to the Planning Committee (“Councillor Call-In”) provided that all of the following criteria are met:

- a) in the opinion of the Councillor making the request, the application is (i) potentially contentious; and (ii) raises material planning issues that affect their ward or would affect the wider public interest; and
- b) the request is in accordance with the local planning authority’s agreed call-in protocol (as set out at paragraphs 2.5 and 2.6 to this Part 3A); and
- c) the Application is not one of the following:
 - i. Permission in Principle (PiPs)
 - ii. Lawful Development Certificates (LDC) (existing or proposed)
 - iii. Prior Approvals and Prior Notifications
 - iv. non-material amendments
 - v. applications other than “major”, “minor” and “householder”.

2.2.8-2.3.8. applications where there have been 20 or more representations from third parties provided that to count toward that number, a representation must:

- a) identify on the representation that it has come from a residence which is believed by the case officer (at the time of deciding whether the matter needs to go to Planning Committee) to be within one mile of any point measured from the relevant application site red line boundary;
- b) be received by the Council within the initial or any subsequent representation period as identified on the posted planning site notice relating to that application or any other related representation period provided by the Council if no planning site notice is posted;
- c) identify one or more issues that the case officer considers to be of material planning relevance to the application to which it relates;
- d) not have been withdrawn by the person making the representation prior to the time of deciding whether the matter needs to go to Planning Committee;
- e) be contrary to the intended case officer recommendation; and

- f) provided that any additional representation from the same residence may be counted if in the opinion of the relevant senior planning officer in consultation with the relevant Chair of Planning it raises any different relevant material planning issues to those already contained in other representations from that residence.

2.3.2.4. The Planning Committees hasve power to receive and provide comment on presentations relating to pre-application planning proposals that the relevant senior planning officer considers appropriate having regard to the Council's Local Code of Best Practice relating to Planning Matters and any extant guidelines agreed by the Planning Committee.

2.4.2.5. In addition to the powers identified above, the Planning Committees hasve the power to consider and determine any matter arising in relation to any Town and Country Planning Legislation where that matter has been expressly referred to the Planning Committee by an Officer for such a purpose as an alternative to that Officer exercising a power delegated to them pursuant to the Officer Scheme of Delegations.

2.5.2.6. The requirement of the call-in protocol referred to at 2.2.7 above are as follows:

2.5.1.2.6.1. the request is submitted on the latest Planning Committee Referral Form produced for that purpose ("Planning Committee Referral Form") and all parts of the submitted Planning Committee Referral Form have been completed. This includes setting out:

- a) why the application is considered to be potentially contentious;
- b) planning reasons that the Councillor considers are material to the application that justify the referral;
- c) why it is considered that the application will affect the ward of the Councillor making the referral or why the Councillor considers that the application would affect the wider public interest; and
- d) confirmation that the Councillor, in advance of submitting the Planning Committee Referral Form, has used their reasonable endeavours to notify all Councillors in whose ward the application site (of the application) is situated in whole or part that they are making a call in request; and

2.5.2.2.6.2. the completed Planning Committee Referral Form:

- a) has been submitted by the Councillor making the request by email and received in the inbox of both the case officer and the relevant office inbox as follows:
 - i. an application where the application site is wholly or partly in the former Bournemouth Council area - planning.bournemouth@bcpcouncil.gov.uk;

- ii. an application where the application site is wholly or partly in the former Christchurch Council area -
planning.christchurch@bcpcouncil.gov.uk;
- iii. an application where the application site is wholly or partly in the former Poole Council area
planning.poole@bcpcouncil.gov.uk,
- iv. or any other inbox notified to Councillors for this specific purpose

(N.B. if an application crosses more than one former Council area then the request must be sent to both relevant office email addresses); and

- b) is received no later than 4pm on the seventh calendar day after the initial or subsequent notification period as identified on the posted planning site notice relating to that application or any other related notification period provided by the Council if no planning site notice is posted.

2.6.2.7. With regard to the Councillor Call-In:

2.6.1.2.7.1. a Councillor may make the request that the application be called in conditional upon the case officer recommendation being to either grant or refuse or in the alternative may make the request unconditional;

2.6.2.2.7.2. a request may be withdrawn by the Councillor by sending an email notification to both the case officer and the relevant office inbox (see paragraph 2.5.2 above), that is received in both inboxes no later than 7 calendar days prior to the agenda publication date of the relevant Planning Committee meeting; and

2.6.3.2.7.3. in the event of any of the requirements relating to the Councillor Call-In not being met, the Councillor Call-In will not have been validly made and Councillors should be aware that a decision may (subject to the exercise of the option in paragraph 2.4 above) at any time thereafter be made by officers under delegated powers.

2.7.2.8. For the avoidance of doubt, for the purposes of the 20 representation process identified in 2.2.8 above, a representation that identifies more than one name on it (including a petition) shall only be counted as one representation in calculating whether the 20 representation trigger has been reached.

3. Licensing Committee

3.1. All matters relating to Licensing functions as set out in the relevant legislation are delegated to Officers pursuant to the Chief Executive's Scheme of Delegation to determine other than those matters set out below which shall be the responsibility of the Licensing Committee.

3.2. The Licensing Committee has responsibility for the following:

- 12.7. Following the answer to each question, the questioner may only ask one supplementary question which must relate to the initial answer. A reply may not be given if the question is: not related to the initial answer; is unduly lengthy; or is inappropriate. The Councillor answering the supplementary question will decide whether or not to reply.
- 12.8. Where a question submitted under this Rule relates to a matter that appears on the Agenda for that meeting, the question shall be put and answered in accordance with this Procedure Rule, at the start of the consideration of that matter, and the time taken to deal with such questions will not form part of the 30 minutes set aside for General Questions.
- 12.9. The time allowed for Councillors to ask questions under this Rule will be a maximum of 30 minutes but is otherwise a matter for the discretion of the Chair who, in exercising their discretion, will have regard to the business to be transacted at the meeting and the objective of ensuring that the meeting is managed efficiently.

13. Public participation at meetings

- 13.1. The following procedures enable members of the public to submit questions, make statements and present petitions at ordinary meetings of the Council, Cabinet, Committees and Sub-Committees.
- 13.2. The time for questions, statements and petitions from members of the public shall normally commence immediately after the item 'Declarations of Interest' on the agenda for the meeting and shall be restricted to a total of 15 minutes, although, at the discretion of the Chair of the Council or the Chair of the meeting, this time may be extended. Where a question to which an answer is to be given is not reached within the time limit, a written answer shall be provided to the questioner within two working days of the meeting and a copy e-mailed to all Councillors.
- 13.3. This procedure does not apply to Planning Committees, Licensing Committee, ~~or~~ Appeals Committee or the Transportation Advisory Group. In so far as the law allows, each of those Committees and Groups may adopt one or more protocols / codes for establishing the arrangements and proceedings regarding any public representation at the Group, Committee or any of its Sub-Committees.
- 13.3.1. Any such protocol / code may be reviewed, modified, cancelled and replaced by the respective Committee or Group. The current version of any such protocol will be included within Part 6 of the Constitution and published on the Council's website.
- 13.3.2. A protocol / code may make provision limiting the ability of a member of the public to speak on any item and may also limit the right of a Councillor who is not appointed to that Committee or Group to speak.
- 13.3.3. For the avoidance of doubt, nothing in this section shall prevent Full Council from also having power to adopt any protocol / code relating to any proceedings of the bodies to which this section relates.

Council,
Cabinet,
Committees and
Sub-Committees
(except
Planning,
Licensing and
Appeals
committees)
unless otherwise
stated

- 17.2. No Councillor shall disclose to any person other than a Councillor any matter arising during the proceedings of the Council, the Cabinet, any Committee, or Sub-Committee and which comes to their knowledge by virtue of their office as a Councillor where such disclosure would prejudice the interest of the Council or would be contrary to law.
- 17.3. No Councillor shall disclose to any person any decision or proceedings of that body except when one of the following applies (provided that nothing in this paragraph shall authorise disclosure which would contravene Rule 17.1 or Rule 17.2 of this Part 4D):
- 17.3.1. a report on the matter has been circulated to the Council by that body;
 - 17.3.2. the decision has become public knowledge; or
 - 17.3.3. the matter comes within the powers of that body and a final decision has been made upon it.

18. Voting

- 18.1. It is the responsibility of each councillor to properly inform themselves and ensure that they are sufficiently appraised of any matter before voting.
- 18.2. Voting will be by a show of hands or where practical and the means are available to those present, by electronic means. Where there is a clear majority in favour of a proposal the person presiding will ask if any Councillor wishes to vote against or abstain from a proposal.
- 18.3. When a Councillor asks for a recorded vote to be taken, and one quarter of Councillors present support the request, the vote will be recorded to show whether each Councillor voted for or against the motion or abstained.
- 18.4. A recorded vote will not be taken if the vote has already begun to be taken by a show of hands.
- 18.5. A Councillor may require, after a vote is completed, that the minutes of the meeting record how they voted or abstained.
- 18.6. Where there are equal votes cast for a motion or amendment the Chair or the person presiding will have a second or casting vote.
- 18.7. Any right of a Councillor who is appointed to any body of the Council to vote on a particular item may be limited by proceedings contained or identified in this Constitution.
- 18.8. For the avoidance of doubt, any Code or Protocol which is, or is identified as to be, incorporated into Part 6 of this Constitution shall be construed as being proceedings and part of these procedure rules.
- 18.9. Where an application falls to be determined by a Planning Committee that is subject to the exercise of a Call-In power by a Councillor under section 2 of Part 3A of the Constitution, the Councillor shall not be permitted to vote on that item

but subject to any requirements of the Member Code of Conduct, may speak in relation to it as a Councillor to the extent as provided for in any protocol adopted by the Planning Committeess.

19. Offices and Appointments

- 19.1. A secret ballot will be held to elect the Chair and Vice-Chair of the Council, Committees and Sub-Committees, or Councillors to any office or position where more than one person is nominated.
- 19.2. If a secret ballot is held and no person receives more than half of the votes cast, the name of the person with the least number of votes will be withdrawn. Further ballots will be held until one person receives a clear majority.
- 19.3. The Chair, or person presiding, will have a second or casting vote where the votes are equal.

20. Variation and revocation of Procedure Rules

Any motion under Procedure Rule 10 (Motions on Notice) of this Part 4D, to vary or revoke these Rules shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

Council

21. Suspension of Procedure Rules

- 21.1. Any of the Procedure Rules may be suspended to the extent permitted within the Rules and the law in respect of any business at a meeting of the Council, Cabinet, a Committee or Sub-Committee where its suspension is moved.
- 21.2. A motion to suspend Procedure Rules shall not be moved without notice (that is under Procedure Rule 11 of this Part 4D) unless there shall be present at least one-half of the Members of the Council or that Cabinet, Committee or Sub-Committee respectively. The extent and duration of the suspension will be proportionate to the result to be achieved taking into account the purposes of the Constitution set out in Article 1.

22. Interpretation of Procedure Rules

Subject to taking advice from the Monitoring Officer or their nominated representative, the ruling of the person presiding as to the construction or application of any of these Procedure Rules, or as to any proceedings of the Council, shall not be challenged at any meeting.

23. Substitute Members

- 23.1. A Political Group may, by notice to the Monitoring Officer or their nominated representative, appoint a substitute member from within its Group for a meeting of a Committee or Sub-Committee.
- 23.2. Members of the Cabinet shall not be nominated as substitutes for any Overview and Scrutiny Committee or Regulatory Committee.

Committees and
sub-committees

26. Disturbance by members of the Public

If a member of the public interrupts the proceedings at any meeting the person presiding shall warn them. If they continue, the person presiding shall order their removal from the meeting. In cases of general disturbance in any part of the meeting room open to the public, the person presiding shall order that part to be cleared.

27. Submission of Notices by Councillors – Electronic Means

A Councillor may communicate, by electronic means, any notice under any of the Council's Procedural Rules to initiate any process or procedure provided it is clear that the notice has been originated by that Councillor.

28. Overview and Scrutiny Committees/Sub-Committees

In applying these Rules to the Overview and Scrutiny Committees and Sub-Committees, regard shall be had to the Overview and Scrutiny Procedure Rules which are contained in Part 4C of this Constitution.

29. Site Visits and consideration of certain items at meetings - Planning Committees, Licensing Committee and Appeals Committee

29.1. In so far as the law allows, the Planning Committees, Licensing Committee and Appeals Committee may each adopt one or more protocols / codes for establishing the arrangements and proceedings for any of the following purposes of that Committee or their Sub-Committees (if any):

- 29.1.1. the undertaking of a site visit; and
- 29.1.2. consideration of any matter relating to an actual or possible application, appeal and/or review for which it has responsibility including proceedings governing the consideration and assessment of any supporting information provided by a party in relation to any such matter.

29.2. Any such protocol / code may be reviewed, modified, cancelled and replaced by the respective Committee. The current version of any such protocol will be included within Part 6 of the Constitution and published on the Council's website.

29.3. A protocol / code may limit the voting ability of a Councillor who is appointed to any of those bodies in circumstances where the Councillor:

- 29.3.1. fails to attend the whole or any part of a site visit; and/or
- 29.3.2. is not present during the whole or any part of the consideration (including any officer presentation and/or public speaking) of an application, appeal and/or review (or related matter), including where such an item falls to be considered over more than one meeting.

Local Code of Best Practice relating to Planning Matters

1. Introduction

- 1.1. Bournemouth Christchurch and Poole (BCP) Council's Code of Conduct for Councillors provides guidance for elected Councillors about the high ethical standards expected of all those in public service. The Code of Conduct for Councillors is reproduced in Part 6 of the Council's Constitution. References to the Planning Committee in this Code and subsequent schedules contained in this Part 6 of the Constitution shall apply equally to both Area Planning Committees.
- 1.2. The Council through its Planning Committee makes decisions on certain planning related applications as set out in the Constitution. The principles for making planning decisions are laid down in local and national planning policy, development plans and legislation. The Planning and Compulsory Purchase Act 2004 in conjunction with the Town and Country Planning Act 1990 requires decisions to be made in accordance with relevant adopted Plans unless there are material planning reasons not to do so. In many instances, it is necessary in making decisions to exercise a level of judgement on the issues. This can involve balancing conflicting elements and taking account of relevant replies to consultations with interested parties and representations made by the public.
- 1.3. This Local Code of Best Practice for councillors and officers relating to planning matters applies to every councillor irrespective of whether or not they are a member of the Planning Committee. It also applies to all officers. It is supplemental to, and should be read in conjunction with, the Code of Conduct for Councillors.
- 1.4. The content of this Local Code addresses various issues involved in decision making. The processes and procedures that it identifies should help ensure that the public have confidence that planning decisions are made in an impartial, open, transparent and fair manner, taking account of all the relevant information.

2. General conduct of councillors and officers

- 2.1. Councillors and officers have different but complementary roles. This Code generally relates to all councillors but where it is more focused towards councillors appointed to the Planning Committee this is identified.
- 2.2. Councillors have a wide variety of roles and responsibilities. These include:
 - 2.2.1 being appointed to committees including Cabinet on which they make decisions relevant to a wide variety of different Council functions;
 - 2.2.2 playing an important part in community engagement; and
 - 2.2.3 being appointed to external bodies as trustees or directors.
- 2.3. Seven principles of public life have been identified as applying to all councillors and officers. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Further details of these principles are set out in the Code of Conduct for Councillors.

- 2.4. The Protocol for Councillor/Officer relations is a further document concerned with matters of conduct. It applies to both Councillors and Officers. A copy of it is reproduced in Part 6 of the Constitution.
- 2.5. Planning Officers must adhere to the Royal Town Planning Institute's Code of Conduct. Other specialist officers must comply with the requirements for conduct stipulated by their appropriate professional bodies. All Council staff must also comply with any relevant code of conduct for BCP Council employees.

3. The Planning application process

Pre-application discussions and meetings

- 3.1. If a Councillor appointed to the Planning Committee intends to vote on a planning application and is involved in any communication or discussion with any member of the public they should:
 - 3.1.1 remain impartial;
 - 3.1.2 recognise that their role on Planning Committee is not one of negotiator; and
 - 3.1.3 seek to avoid discussion on any detail relating to the application unless an officer is present.

Lobbying of Councillors / Discussions with Officers

- 3.2. Lobbying is a normal part of the planning process. It can occur in a variety of different situations ranging from seeking to secure the allocation of a site in a Local Plan to a particular planning application. It can involve councillors with many different roles from those involved in decisions relating to the use of management of Council land to councillors on the Planning Committee who determine applications.
- 3.3. The early engagement of councillors in planning issues relating to a potential planning application can be a positive contributor to helping ensure the sustainable development of the area that meets the need of the community.
- 3.4. In some circumstances, meetings or presentations may be arranged in advance of a related planning decision being made by councillors. To avoid the perception that councillors may have predetermined any decision or fettered their discretion in such circumstances:
 - 3.4.1 there should always be an officer present at a planning related meeting or presentation arranged by officers with a record of the meeting taken including notes of issues raised and any advice given by officers. These should be kept on a relevant file.
 - 3.4.2 officers should normally seek to make clear in advance and / or at the start of any such meeting or presentation that no part of any discussion will bind the Council and any view expressed is provisional;

- 3.4.3 The nature of some meetings and presentations may provide a legitimate reason as to why it would need to be confidential. A record of the reason(s) for such confidentiality should be noted on the relevant file and notes relating to any non-confidential elements should be clearly identifiable.
- 3.5. Depending upon the nature of their work, officers may well also find themselves being approached by members of the public with regard to various planning decisions. In the case of Planning Officers for example, such approaches may be made by a wide range of parties with an interest in the matter including the applicant, agent, consultee, a supporter or an objector. Whenever this occurs, an officer should always consider the nature and likely content of any discussion and reflect on whether it is appropriate to make a note of what was discussed including, as part of any note, recording express details of the advice given / outcomes of any negotiation. In many cases, to try and avoid disagreement going forward, seeking to agree a note of such matters with the other attendees may well be a sensible way forward.

Lobbying of Councillors appointed to the Planning Committee

- 3.6. Councillors on the Planning Committee are also likely to find themselves in various situations where members of the public including developers and other councillors seek to engage them on matters relating to a specific planning application. The general principles set out in clause 3.1 above are applicable to any circumstance when this might occur.
- 3.7. In addition, councillors appointed to the Planning Committee who intend to participate as a member of that Planning Committee in relation to an item should have regard to the following in relation to any such circumstance:
- 3.7.1 avoid saying anything that could give an indication that they have already made up their mind on an application and is no longer open to considering its merits;
 - 3.7.2 if any opinion is expressed, then make clear that it is a preliminary view only and a final decision will only be made when all relevant factual information is available at the time of the Planning Committee meeting. However, generally seek to limit any opinion to matters relating to procedure only;
 - 3.7.3 pass any written (including electronic) correspondence relating to a planning application of which the councillor is the main addressee (for an e-mail addressed to all members of the Planning Committee this will be the Chair of the Planning Committee), as soon as reasonably practicable to the case officer dealing with that application for recording on the file and as appropriate forwarding to other members on the Planning Committee;
 - 3.7.4 especially take care if invited to attend any meeting or presentation relating to an application not arranged by officers and in particular considering seeking advice from the Monitoring Officer before deciding whether to attend a meeting that appears to be for the purpose of lobbying; and

- 3.7.5 consider whether any contact (including any meeting) relating to a planning application other than one arranged by officers might be seen as significant and if so, disclose such contact at the relevant Planning Committee meeting in advance of a decision being taken.

Lobbying by councillors

- 3.8. As part of a councillor's role in representing their communities, ward councillors are likely to become involved in the decision-making process relating to planning applications.
- 3.9. To the extent this involves a councillor discussing any individual planning related application with an officer, it can be very easy for the impression to be given that a councillor is using their position to influence progress relating to the matter. It is important that any such discussions are therefore open and transparent. Consequently, officers may well seek to take a note of any such communication.
- 3.10. A ward councillor who is not taking part in the determination of a planning application at Planning Committee can make representations on behalf of their ward, may attend Planning Committee and with the agreement of the Chair of Planning Committee, address the Planning Committee in accordance with the Protocol on Public Speaking at Planning Committee. Any representations should relate to the planning merits of the application. When making representations as a ward councillor, the councillor should aim to make clear whether the opinion expressed is the view of the councillor or their constituents.
- 3.11. Councillors should avoid lobbying members of the Planning Committee and exerting undue pressure on planning officers in relation to any particular application.

4. Determining a Planning Application including Predetermination

- 4.1. Many decisions on planning applications and other related matters are delegated to officers. Details of such delegations are set out in Part 3 of the Constitution.
- 4.2. Other applications not delegated to officers are determined by councillors sitting on Planning Committee. Every application considered by Planning Committee will be accompanied by a report that has been produced by Officers. Copies of committee reports are available for consideration in accordance with the Council's Access to Information Rules. These are produced in Part 4 of the Constitution.

Predetermination

- 4.3. Every planning application should be determined having regard to all planning considerations that are relevant to it.
- 4.4. In the case of decisions by Planning Committee, the point in time when all relevant information will be available is the meeting of the Planning Committee at which an application is to be determined. Every councillor on the Planning

Committee should make their decision only after full consideration of the accompanying Officer report including its recommendation and having regard to all applicable information and discussion that takes place at the committee meeting.

- 4.5. If, prior to voting on a decision, a councillor on the Planning Committee fully commits themselves to a particular view on a planning application such that their mind is no longer open to considering the merits of the case that councillor should not take part in the item as a member of the Planning Committee.
- 4.6. This does not mean that a councillor cannot hold strong views about an application. In other words, a councillor can be predisposed towards a matter under discussion; however, that is not the same as having a closed mind.
- 4.7. In some cases, a councillor, including a member of the Planning Committee, may decide in advance of a Planning Committee meeting that they wish to commit themselves to a particular planning decision and seek to speak for or against it. This is not uncommon in the case of Ward Councillors. Councillors, including ward councillors, may request the opportunity to speak at a Planning Committee meeting. A member of the Planning Committee should make clear in advance of a meeting if this circumstance applies to them. In such a case, the member of the Planning Committee should also make their position clear at the start of the meeting, must not take part in discussion of the item as a member of the Planning Committee and must not vote on the item.

Membership of another local authority

- 4.8. Some councillors who sit on Planning Committee may also be members of another tier of local government. Such councillors should have regard to the guidance on interests contained in this Code and the Councillor Code of Conduct. In particular, if those councillors take part in any debate on a development proposal at a Parish/Town Council meeting, they should consider adopting a practice at the time of such participation of making clear that the views they express are based on information available at that time and as a consequence their views might change in the light of further information that becomes available prior to a determination by the Planning Committee.
- 4.9. If in doubt, councillors are recommended to seek further advice from the Monitoring Officer.

Political Group Meetings

- 4.10. As the point in time at which all information on a planning application will be available to councillors on a Planning Committee will be at the actual meeting of that committee, political group meetings in advance of the Planning Committee should not be used to determine how councillors should vote.
- 4.11. Further, since every planning application should be determined on its merits, the use of a party whip is not appropriate to seek to compel a member of the Planning Committee to vote in any particular way.

Applications by the Council or in respect of Council-owned land

- 4.12. Any application submitted by the Council or involving land forming part of the red line area of a planning application which is owned by the Council shall be determined by the Planning Committee.

Applications by Councillors and Officers

- 4.13. It is perfectly legitimate for a councillor or an officer to submit a planning application. However, to avoid any perceptions of impropriety the following should be applied to any such application.

- 4.13.1 Every application identified as submitted by or on behalf of a councillor or their spouse or civil partner in respect on any property (including land) in which they have a financial interest shall as provided for in Section 2, Part 3 of the Constitution be referred to the Planning Committee.
- 4.13.2 Every application identified as submitted by or on behalf of an officer working for the Council within its Planning Section or generally at Tier 3 or above at the time that the application is submitted or their spouse or civil partner shall as provided for in Section 2, Part 3 of the Constitution also be referred to the Planning Committee for determination.
- 4.13.3 An application from a councillor or officer will usually be identified as part of the registration process. However, councillors and officers to whom either of the two paragraphs above apply are encouraged to draw the fact that such an application has been submitted to the attention of both the Head of Planning (or any other Officer nominated by them) in writing and also the relevant case officer within twenty one days of the date of the application being submitted.
- 4.13.4 If an application is submitted by someone other than a councillor but relates to property (including land) in which the councillor has a legal interest, the councillor is also encouraged to provide such notification as identified above. This is in addition to any duty of disclosure the councillor may have for the purposes of the Councillor Code of Conduct. For the purpose of this code, the phrase “legal interest” means a legal interest registered at HM Land Registry in the name of the councillor.
- 4.13.5 No councillor or officer who submits or has a planning application submitted on behalf of themselves, their spouse or their civil partner should take part in handling the application on behalf of the Council or seek to use their position to influence the decision relating to that application. Councillors and officers should also be mindful of the need to consider potential conflicts arising in respect of applications by other family members and friends. If in doubt, advice should be sought from the Monitoring Officer.
- 4.13.6 No councillor or officer who acts as an agent for any person pursuing a planning matter with the Council should take part in handling the

application on behalf of the Council or seek to use their position to influence the decision relating to that application.

4.13.7 In considering the extent to which they can engage in any part of the process relating to a planning application including the consideration of that application at Planning Committee, a councillor should always have regard to the requirements of the Member Code of Conduct.

4.13.8 Where a councillor frequently declares an interest and therefore is unable to take part in the proper consideration of planning matters referred to the Planning Committee, the relevant political group should review the presence of that councillor on the Planning Committee with a view to replacing them with another councillor whose interests would not prevent them considering and deciding planning issues referred to the Committee.

Fraud, Corruption and Bribery

4.14. The Council, the Head of Paid Service and all its senior officers have a zero-tolerance commitment to issues of bribery and corruption.

4.15. Every councillor should inform the Monitoring Officer and every officer should report to their line manager or their Head of Service if any offer is made to them in relation to the exercise of any aspect of the Council's planning functions. Officers should also report to their line manager and councillors advise the Monitoring Officer of any matter that indicates a possible incidence of fraud, corruption or bribery.

Considering all relevant information

4.16. It is important that every councillor's decision takes account of all relevant planning considerations including any relevant representations and consultation responses. Any councillor who is absent during any part of the Planning Committee's consideration of an application (including any related officer presentation and public speaking) should not take any further part in the discussions on the application or vote on that application.

Site Visits

4.17. Site visits will be arranged and managed in accordance with the protocol agreed by the BCP Planning Committee.

Decisions contrary to an officer recommendation

4.18. If a councillor wishes to put forward a motion that a matter is dealt with contrary to an officer recommendation, that councillor should identify their reason(s) for refusal or approval including by reference to relevant Development Plan policies. In the case of a motion to approve, the councillor should also be aware that officers may seek clarification of any particular conditions / planning obligation that the councillor might wish to have imposed.

5. Training

5.1. As part of their induction programme, all new councillors will be expected to attend training sessions that are made available to them for the purposes of providing an introduction to the planning system. Where the Head of Planning identifies it as necessary, additional training sessions will also be made available to councillors appointed to the Planning Committee. Examples of this might include the introduction of new significant legislation. Councillors on Planning Committee are expected to make all reasonable efforts to attend such training. A councillor who is unable to attend such training will normally be expected to seek advice as to whether such training or information on its content can be made available to them separately. Democratic Services Unit will aim to keep a record of councillor attendance at training. Details of any councillor who fails to engage in planning training that is made available will be drawn to the attention of the relevant group leader.

5.1.5.2. No councillor shall sit as a member or substitute member on the Planning Committee unless they have received appropriate training provided for this purpose.

the additional workload and levels of responsibility and accountability placed upon members appointed to these roles:

| | |
|---|---------|
| Leader | £29,339 |
| Cabinet Members (including Deputy Leader) | £19,559 |
| Lead Members | £10,834 |
| Chair of the Council | £10,834 |
| Vice-Chair of the Council | £5,418 |
| Chair of Audit & Governance Committee | £10,834 |
| Chair <u>s</u> of <u>Area</u> Planning Committee <u>s</u> | £10,834 |
| Chair of Overview & Scrutiny Board | £8,125 |
| Chair of Environment and Place Overview & Scrutiny Committee | £8,125 |
| Chair of Children's Services Overview & Scrutiny Committee | £8,125 |
| Chair of Health & Adult Social Care Overview & Scrutiny Committee | £8,125 |
| Chair of Licensing Committee | £10,834 |
| Vice-Chair of Licensing Committee | £2,709 |
| Chair of Appeals Committee | £3,251 |
| Chair of Standards Committee | £3,251 |
| Group Leaders* | £3,251 |

(***NOTE**: minority parties must have a membership of no fewer than 5 for their Leader to receive an SRA)

- 2.2. Councillors shall be restricted to claiming only one Special Responsibility Allowance (and may elect which SRA to receive) with the exception that a Group Leader's SRA can be payable as a second SRA.
- 2.3. Subject to paragraph 2.4 below, no Special Responsibility Allowance shall be paid to vice-chair of committees (with the exception of the vice-chair of Council and the Licensing Committee).
- 2.4. Where the relevant chair is permanently unavailable to perform their duties, the entitlement to a special responsibility allowance shall transfer to the elected vice-chair.

3. Travel allowances

- 3.1. Councillors and appointed members are entitled to claim travel allowances in line with MAP (HMRC approved Mileage Allowance Payments) for undertaking official business and travelling to the BCP Council offices for meetings and official business.
- 3.2. The MAP approved amounts are currently:
 - (a) Car – 45p per mile up to 10,000 miles and 25p per mile thereafter;

This page is intentionally left blank

Article 8 - Other Committees / Informal Consultative Groups

8.1. Other Committees

8.1.1. The Council will appoint the following other Committees to take such decisions which are not reserved to Full Council; the responsibility of the Leader / Cabinet or within the remit of Overview and Scrutiny:

~~a)~~ **Western BCP Planning Committee** – consisting of ~~14~~11 Councillors;

~~a)b)~~ **Eastern BCP Planning Committee** – consisting of 11 Councillors;

~~b)c)~~ **Licensing Committee** – consisting of 14 Councillors;

~~e)d)~~ **Standards Committee** – consisting of 7 Councillors;

~~d)e)~~ **Appeals Committee** – consisting of 7 Councillors;

~~e)f)~~ **Audit and Governance Committee** – consisting of 9 Councillors; and

~~f)g)~~ **Investigation and Disciplinary Committee** – consisting of 7 Councillors (including the Leader of the Council and another member of the Cabinet).

8.1.2. The Council may appoint other Committees, Sub-Committees and Special Committees with delegated powers to act under specific terms of reference which must be set out in the minutes of the meetings.

8.1.3. The Council will establish a Health and Wellbeing Board in accordance with the legislative requirements and statutory guidance, and the terms of reference for this Board are published on the website.

8.2. Powers of Committees

8.2.1. The Committees shall have the functions set out within Part 3 of this Constitution.

8.2.2. A Committee may, at any time, decline to exercise a delegated power. The matter must then be considered and determined by the Full Council as appropriate.

8.3. Informal Consultative Groups

The Council may establish informal advisory groups which shall not have any power to make decisions. The groups may be consulted on matters within the terms of reference approved by Council and as set out within Part 3 of this Constitution.

8.4. Training Requirements

No councillor shall sit as a member or, where applicable, as a substitute member of the following bodies unless they have received appropriate training provided for this purpose.

- a) Western BCP Planning Committee;
- b) Eastern BCP Planning Committee;
- c) Licensing Committee;
- d) Appeals Committee;
- e) Transportation Advisory Group.

8.3-8.5. Conduct of Committee Meetings

Committee meetings will be conducted in accordance with the law and the Procedure Rules set out within Part 4D of this Constitution.

- 8.6. The relevant officers will be given the same right to be accompanied at any disciplinary hearing as all Council employees. Additionally, this will include the right to be accompanied by a legal representative at their own cost.

Independent Panel

- 8.7. The three Independent Persons appointed by the Council pursuant to the Localism Act requirements shall act as the Independent Panel in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015).

9. Transportation Advisory Group

9.1. The Transportation Advisory Group (TAG) may:

- 9.1.1. consider transportation issues, including proposed highway regulation and traffic regulation orders, which are not otherwise delegated to the relevant Chief Officer to determine in accordance with the officer scheme of delegation;
- 9.1.2. receive representations from residents, ward councillors, petitioners and interested persons when considering matters under 9.1.1 above;
- 9.1.3. provide feedback to Cabinet as a consultee, including reasons when at variance to the officer recommendation, on each of the transport issues referred to it under 9.1.1 above;

9.2. For the avoidance of doubt, the Transportation Advisory Group is not permitted to make decisions in its own right.

9.3. The composition of the Transportation Advisory Group shall consist of one appointed representative (excluding Executive Members) from each formally constituted political group under The Local Government (Committees and Political Groups) Regulations 1990 and shall appoint one of the political group representatives to preside.

9.10. Leader and Cabinet – Executive Functions

Discharge of Executive Functions

9.4.10.1. All executive authority flows through the Leader who retains the authority to make any executive decisions and subject to this may delegate decision-making to:

- ~~9.1.1.10.1.1.~~ the Cabinet;
- ~~9.1.2.10.1.2.~~ a member of the Cabinet;
- ~~9.1.3.10.1.3.~~ a Committee of the Cabinet;
- ~~9.1.4.10.1.4.~~ an Officer;
- ~~9.1.5.10.1.5.~~ another Council; or
- ~~9.1.6.10.1.6.~~ another organisation under joint arrangements.

| | |
|----------------------------|---|
| | and/or (b) to refer any complaint concerning a failure to disclose a disclosable pecuniary interest to the police without further reference. |
| Referendums | |
| 85 | To make arrangements for (including the holding of) any referendum. |
| Registers | |
| 86 | To determine any application to amend the register of common land and town and village greens (except applications to register or de-register land as common land and town and village greens). |
| Signing and Sealing | |
| 87 | To sign and issue any certificate confirming the Council's power to enter into a contract where this is legally required. |

| Specific Delegations of particular relevance to the Chief Operations Officer | |
|---|--|
| Ref | Power |
| General | |
| 88 | <p>To undertake all action relating to:</p> <ul style="list-style-type: none"> (a) the acquisition or disposal of any land or building; and/or (b) any grant and/or termination of any lease or licence for any land or building; (c) any other transaction associated with any land or building, provided that in all cases: <ul style="list-style-type: none"> (i) the sum of money associated with any such acquisition, disposal or other transaction (including termination) does not exceed £500,000; and (ii) all costs associated with any such transaction can be met from within a budget available for such purposes. |
| Highways / public rights of way / public access | |
| 89 | <p>To undertake all action relating to the regulation of highways, public rights of way and/or public access including:</p> <ul style="list-style-type: none"> (a) the processing, administration and determination of any application or request arising in relation to any such matter; and/or (b) the making of any order relating to any highway, public right of way and/or public access in the area of the Council including any order under: <ul style="list-style-type: none"> (i) the Highways Act 1980; and/or (ii) the Road Traffic Regulation Act 1984; (c) <u>the referral of appropriate permanent or experimental traffic regulation orders to the Transportation Advisory Group, where, following consultation with the relevant Portfolio Holder, it is considered that there are significant or contentious objection(s) received during the statutory consultation period.</u> |

- 12.7. Following the answer to each question, the questioner may only ask one supplementary question which must relate to the initial answer. A reply may not be given if the question is: not related to the initial answer; is unduly lengthy; or is inappropriate. The Councillor answering the supplementary question will decide whether or not to reply.
- 12.8. Where a question submitted under this Rule relates to a matter that appears on the Agenda for that meeting, the question shall be put and answered in accordance with this Procedure Rule, at the start of the consideration of that matter, and the time taken to deal with such questions will not form part of the 30 minutes set aside for General Questions.
- 12.9. The time allowed for Councillors to ask questions under this Rule will be a maximum of 30 minutes but is otherwise a matter for the discretion of the Chair who, in exercising their discretion, will have regard to the business to be transacted at the meeting and the objective of ensuring that the meeting is managed efficiently.

13. Public participation at meetings

- 13.1. The following procedures enable members of the public to submit questions, make statements and present petitions at ordinary meetings of the Council, Cabinet, Committees and Sub-Committees.
- 13.2. The time for questions, statements and petitions from members of the public shall normally commence immediately after the item 'Declarations of Interest' on the agenda for the meeting and shall be restricted to a total of 15 minutes, although, at the discretion of the Chair of the Council or the Chair of the meeting, this time may be extended. Where a question to which an answer is to be given is not reached within the time limit, a written answer shall be provided to the questioner within two working days of the meeting and a copy e-mailed to all Councillors.
- 13.3. This procedure does not apply to Planning Committees, Licensing Committee, ~~or~~ Appeals Committee or the Transportation Advisory Group. In so far as the law allows, each of those Committees and Groups may adopt one or more protocols / codes for establishing the arrangements and proceedings regarding any public representation at the Group, Committee or any of its Sub-Committees.
- 13.3.1. Any such protocol / code may be reviewed, modified, cancelled and replaced by the respective Committee or Group. The current version of any such protocol will be included within Part 6 of the Constitution and published on the Council's website.
- 13.3.2. A protocol / code may make provision limiting the ability of a member of the public to speak on any item and may also limit the right of a Councillor who is not appointed to that Committee or Group to speak.
- 13.3.3. For the avoidance of doubt, nothing in this section shall prevent Full Council from also having power to adopt any protocol / code relating to any proceedings of the bodies to which this section relates.

Council,
Cabinet,
Committees and
Sub-Committees
(except
Planning,
Licensing and
Appeals
committees)
unless otherwise
stated

- 23.3. Where a Political Group intends to vary its representation on a Committee or Sub-Committee, the Group Leader (or their nominated representative) shall inform the Monitoring Officer or their nominee prior to the meeting, and the Substitute Member shall inform the Chair at the beginning of the meeting. The outgoing member shall cease to be the Political Group's representative on that Committee or Sub-Committee for the duration of that meeting or any adjournment of it, and that substitute Councillor shall become the representative on the Committee or Sub-Committee for the same period. At the end of the meeting, the outgoing member shall resume their representation on the Committee or Sub-Committee in question.
- 23.4. On receipt of a Notice under this Procedure Rule the Monitoring Officer or their appointed nominee shall, at the meeting (prior to the commencement of the main business) inform the Committee or Sub-Committee.
- 23.5. For the avoidance of doubt, there are no substitute arrangements in respect of the Cabinet and informal Consultative Groups.

24. Attendance of Councillors at Committees and Sub-Committees of which they are not members

Committees and
sub-committees

- 24.1. Notwithstanding their rights as a member of the public, a Councillor may attend any meeting of a Committee or Sub-Committee to which they have not been appointed, for the purposes of performing their duties as a Councillor, including when Exempt or Confidential business is transacted subject to the provisions of the Access to Information Rules.
- 24.2. A Councillor will be provided with access to a copy of the agenda and relevant papers when they arrive at the meeting, subject to the Access to Information Rules set out at Part 4A of this Constitution.
- 24.3. The Councillor has no right to vote but may speak with the consent of the Chair of the meeting.

25. Disorderly conduct by Councillors

- 25.1. If at a meeting any Councillor, in the opinion of the person presiding, misconducts themselves in any way, the person presiding shall warn them. If the misconduct continues, the person presiding or any other Councillor may move "That the Councillor be not further heard for the item being debated" or "That the Councillor be not further heard for the remainder of the meeting". The motion, if seconded, shall be put and determined without discussion.
- 25.2. If the Councillor continues the misconduct after a motion under the Rule 25.1 of this Part 4D has been carried, the person presiding may: either move "That the Councillor do leave the meeting" (in which case the motion shall be put and determined without seconding or discussion); or adjourn the meeting.
- 25.3. In the event of general disturbance by Councillors at any meeting which, in the opinion of the person presiding, renders the due and orderly dispatch of business impossible, the person presiding, will have the power to adjourn the meeting.

AUDIT AND GOVERNANCE COMMITTEE



| | |
|-------------------|---|
| Report subject | Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update |
| Meeting date | 30 November 2023 (deferred from 26 October 2023) |
| Status | Public Report |
| Executive summary | <p>This report details progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023. The report highlights that:</p> <ul style="list-style-type: none"> • 4 audit assignments have been finalised, including 1 'Partial', 2 'Reasonable' and 1 'Consultancy' audit opinions; • 27 audit assignments are in progress, including 7 at draft report stage; • £12.7M of grant expenditure has been certified, as required by the issuing Government department, as meeting grant conditions; • Internal Audit issued a report on seafront pop-up activity, incorporating 'Bayside' restaurant making 18 recommendations. The Director of Commercial Operations has led on implementing recommendations and has finalised other investigatory work. • For a breach of Financial Regulation, previously reported to this Committee, an investigation has concluded and the Director of Commercial Operations has taken action in line with the disciplinary policy and procedures; • Three apprentices have been successfully recruited, however, the resignation of an auditor means that there will be further impact on the delivery of the audit plan; • 6 'High' priority audit recommendations have not been implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed. |
| Recommendations | <p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> a) Audit & Governance Committee note progress made and issues arising on the delivery of the 2023/24 Internal Audit Plan. b) Note the explanations provided (Appendix 3) and determine, in the case of High Priority recommendations not implemented by the initially agreed target date, if further explanation and assurance from the Service / Corporate Director is required. |

| | |
|----------------------------|--|
| Reason for recommendations | To communicate progress on the delivery of the 2023/24 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter. |
| Portfolio Holder(s): | Cllr Mike Cox, Finance |
| Corporate Director | Ian O'Donnell, Corporate Director Resources |
| Report Authors | Nigel Stannard Head of Audit & Management Assurance ☎ 01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk |
| Wards | Council-wide |
| Classification | For Decision and Information |

Background

1. This report details Internal Audit's progress against the 2023/24 Audit Plan for the period July 2023 to September 2023 inclusive and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management.
3. Some audit fieldwork has 'straddled' both the 2022/23 and 2023/24 Audit Plan years, these audits are shown with the following description '2022/23/24'.

Delivery of the 2023/24 Internal Audit Plan – Quarter 2 review

4. Four audit assignments have been fully completed in this quarter of 2023/24 (Jul-Sep 23) as outlined below.

2023/24 Audits Completed

| | Service Area | Audit & Scope | Assurance Opinion | Recommendations | | |
|---|-----------------------|---|-------------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| 1 | Corporate Parenting | Care Leaver's Offer Care experienced young people have been offered the assistance they are entitled to | Partial | 1 | 2 | 0 |
| 2 | Housing & Communities | BCP Homes Governance Review – review of arrangements in the following key assurance function areas: ➤ Asset Management ➤ Financial Management | Reasonable | 1 | 5 | 0 |

| | | | | | | |
|------------------------------|------------------------|--|-------------|----------|-----------|----------|
| | | <ul style="list-style-type: none"> ➤ Business Resilience ➤ Human Resources ➤ ICT ➤ Procurement ➤ Business Planning & Performance Management ➤ Risk Management ➤ Information Governance ➤ Health & Safety ➤ Project & Programme Management | | | | |
| 3 | Planning & Destination | Planning Contributions <ul style="list-style-type: none"> ➤ Contributions are consistent, fair and/or sufficient ➤ The Council collects payments when due ➤ Records are complete, accurate and/or timely ➤ Refunds | Reasonable | 0 | 7 | 5 |
| 4 | Children's Services | Performance Management & Governance <ul style="list-style-type: none"> ➤ To confirm that assurance can be taken from the CS Governance Framework for high-risk areas and are monitored effectively | Consultancy | - | - | - |
| Total Recommendations | | | | 2 | 14 | 5 |

Key:

- **Substantial Assurance** - There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
- **Reasonable Assurance** - Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
- **Partial Assurance** - There are weaknesses in the control framework which are putting service objectives at risk.
- **Minimal Assurance** - The control framework is generally poor and as such service objectives are at significant risk.
- **KFS** – Key Financial System
- **KAF** – Key Assurance Function

5. There was one 'Partial' assurance audit reports issued during the quarter as follows:

Corporate Parenting – Care Leaver's Offer

Three recommendations (1 high and 2 medium) were made in this Audit Report which resulted in a 'Partial Assurance' audit opinion. The following issues were found:

- There is no high-level overview of whether individual Care Leavers have been offered appropriate services to meet their needs and whether outcomes have been met (high)
- The range of services which make up the Council's Care Leaver Offer is not currently available on the Council website (medium)
- Pathway Plans for Care Experienced Young People are not being updated as regularly as required (medium)

7. There were no 'Minimal' assurance audit reports issued during the quarter.
8. The status of other audits in progress (Jul-Sep 2023) is outlined below:

2023/24 Audits In Progress

| | Service Area | Audit | Progress |
|----|------------------------------|--|-----------------|
| 1 | Finance | Council Tax Data Analytics | Draft Report |
| 2 | IT & Programmes | Disaster Recovery | Draft Report |
| 3 | People & Culture | Scheme of Delegation Compliance | Draft Report |
| 4 | Finance | Business Continuity (Core KAF) | Draft Report |
| 5 | Commissioning | Brokerage & Contracts | Draft Report |
| 6 | Finance | Council Tax (KFS) | Draft Report |
| 7 | Operations | Council Wholly / Partly-Owned Entities Governance Self-Assessment | Draft Report |
| 8 | Finance | NNDR (KFS) | Fieldwork |
| 9 | Schools (Education & Skills) | Christchurch Infants School | Fieldwork |
| 10 | Schools (Education & Skills) | Mudeford Juniors | Fieldwork |
| 11 | Schools (Education & Skills) | Mudeford Infants | Fieldwork |
| 12 | Adult Social Care | Managing Other People's Money | Fieldwork |
| 13 | Environment | Bereavement Services Income | Fieldwork |
| 14 | Children's Services | Agency Staffing | Fieldwork |
| 15 | Finance | Financial Assessment (KFS) | Fieldwork |
| 16 | Adult Social Care | Health & Safety and Fire Safety (KAF) | Fieldwork |
| 17 | Safeguarding & Early Help | Section 17 | Fieldwork |
| 18 | People & Culture | HR (Core KAF) | Fieldwork |
| 19 | Adult Social Care | Hospital Discharge Service | Fieldwork |
| 20 | IT & Programmes | Network Security (PSN/Cyber) | Fieldwork |
| 21 | Finance | Financial Management (Core KAF) | Scoping |
| 22 | Finance | Main Accounting (KFS) | Scoping |
| 23 | Housing & Community | Housing Tenancy (Counter Fraud) | Scoping |
| 24 | People & Culture | Payroll (KFS) | Scoping |
| 25 | Customer, Arts & Property | Business Planning & Performance Management – Customer Services (KAF) | Scoping |
| 26 | Finance | Treasury Management (KFS) | Scoping |
| 27 | Finance | Treasury Management (Counter Fraud) | Scoping |

2023/24 Audits Planned for Quarter 3 (Oct-Dec 23) - Provisional

| | Service Area | Audit |
|----|------------------------------|---|
| 1 | Commercial Operations | Seafront Recruitment |
| 2 | People & Culture | Employee Additional Payments Review |
| 3 | Children's Services | Risk Management (KAF) |
| 4 | IT & Programmes | Project Management (Core KAF) |
| 5 | Schools (Education & Skills) | St Katherines Church of England School |
| 6 | Infrastructure | Road Safety |
| 7 | Finance | Asset Management (Estates)(Core KAF) |
| 8 | Education & Skills | Schools Admissions (Counter Fraud) |
| 9 | Finance | Creditors (KFS) |
| 10 | Commissioning | Procurement (Core KAF) |
| 11 | Education & Skills | Pupil Premium Grant |
| 12 | Infrastructure | Delivery of Regeneration |
| 13 | Planning & Destination | Developer Contributions - Management of Spend |
| 14 | Law & Governance | Information Governance (Core KAF) |
| 15 | Finance | IR 35 Compliance |
| 16 | Environment | SEND Passenger Transport |

9. The 2023/24 audit plan is kept under review to ensure that any emerging higher risks are considered along with available resource. No additional planned changes have been made to the 2023/24 audit plan during this quarter.

Significant Issues Arising and Other Work

Grant certification work

10. During the quarter, work was undertaken to certify grant and external funding schemes totalling approximately £12.7 million as required by the grant funding conditions. The grants include:
- Aspire;
 - Supporting Families;
 - Various Department for Transport grants;
 - Disabled Facilities Grant;
 - Early Education Funding

Review of Pop-up/Temporary activities incorporating Bayside restaurant

11. At the 27 July meeting of A&G Committee the following brief update was given:

Commercial Operations – Seafront: Review of Pop-Up / Temporary Activities Incorporating Bayside Restaurant

Eighteen recommendations were made. Due to the nature of the review, assurance ratings were given across the sixteen agreed scope areas as follows - Minimal (3), Partial (11), and Reasonable (1) (utilising the agreed assurance ratings adopted by Internal Audit in line with the agreed Audit Charter).

It should be noted that the investigation found no evidence of fraud.

The final investigation report has only recently been issued and service management are in the process of implementing the agreed recommendations and considering any further actions that may be necessary. Once any further management actions are determined, A&G committee will receive a further update which will include a summary of the issues found and how the implementation of recommendations has progressed.

12. The Executive Summary from the Internal Audit report is shown at Appendix 1.

13. The full Internal Audit report contains exempt information as set out in the Access to Information Procedure rules:

The report contains information that meets the definitions at:

9.2.1. information relating to any individual;

9.2.2. information which is likely to reveal the identity of an individual;

9.2.3. information relating to the financial or business affairs of any particular person (including the authority holding that information);

The full Internal Audit report is provided at Appendix 2, should Councillors wish to ask questions about the full report the Committee will need to move into a Part 2 session excluding the press and public.

14. The final audit investigation report was issued on 12 June 2023 and contained eighteen recommendations. A summary of the recommendations is shown below:

- The overarching approach for pop-up restaurants and activities should be formally documented.
- Formal consideration should be given to the creation of an overarching Pop-Ups Programme.
- Consideration should be given to making appropriate reference to pop-ups and inclusion of supporting high-level actions in Service and Team Plans.
- All future pop-up activities should be informed by a business case, financial assessment, risk assessment and an issue log.
- Consideration should be given to completing formal Officer Decision Record forms for all future decisions to undertake pop-ups and events.
- Arrangements should be put in place to ensure that Licence applications are sufficiently focussed and detailed to allow key stakeholders to make a pragmatic assessment of likely effects on legal duties including prevention of public disturbance, public nuisance and harm to children.
- Detailed financial analysis should be undertaken of contractors involved in pop-up activities.
- Formal consideration should be given to aggregating activities into larger packages where possible and appropriate to do so to increase the number of potential providers and potentially offer better value for money for the Council through greater competition.

- Where potential conflicts of interests are declared, detail should be provided on how these are to be managed and whether the individuals or their organisations currently or will potentially transact with the Council.
 - Contractual arrangements should ensure an appropriate balance of risk and reward.
 - Sufficient time should be allowed to ensure Legal Agreements with suppliers are drafted and signed-off as far in advance of operation as possible.
 - Stock control procedures and processes should be determined in advance and sufficient time should be allowed between infrastructure installation and commencement of trading to ensure they function as expected.
 - Budget codes and cost centres should be reviewed and disaggregated to ensure that arrangements better align to activity and financial performance of individual pop-up activities and events can be more readily measured.
 - Officers should be reminded that Purchase Orders should be raised at the point of order and not on receipt of invoice.
 - Formal lessons learned exercises should be undertaken for each pop-up 'project' and the outcome documented and disseminated appropriately.
 - Process / responsibility for responding to FOI and other information requests should be formally agreed to ensure they're dealt with as efficiently and effectively as possible and with due regard to transparency principles.
 - Sufficient time should be allowed for planning future pop-ups and events projects to ensure that risks and challenges are fully considered, and alternative options are explored and evaluated.
 - For future in-house or hybrid operations, sufficient time should be allowed for staff training and systems set-up following installation of infrastructure.
15. The audit investigation concluded that there was no evidence of fraud, although various shortcomings were identified in terms of how the project was developed and that learning has led to a range of actions required for improvement.
16. The findings and learnings from this audit report have been taken seriously by the Service area as well as the organisation as a whole and the Director of Commercial Operations is committed to ensuring the improvements and changes to practices required are delivered upon.
17. The Director of Commercial Operations has instigated a number of actions to ensure the recommendations are understood by staff and are acted upon, and to directly respond to the audit report recommendations, some examples of the improvements that have been made so far are:
- Training delivered to staff on financial regulations and procurement processes, this is due to be refreshed in the coming months.
 - Staff understand the Officer Decision Record process, including when these are required and how to complete them and Officer Decision Records are now firmly established as standard practice.
 - A review of the Seafront Strategy is underway, this will consider the fit of Pop-ups to the strategic direction and intent of BCP Council and will help inform the response to a number of the recommendations from the audit report.

- Staff understand the income generation requirements for commercial services, staff now ensure that all resource required to deliver and support the service is taken into account when setting fees to ensure at least full cost recovery is achieved.
 - Teams are now carrying out regular reviews of services, reviewing performance and operations to ensure triggers for pausing or ending a service are identified as early as possible.
 - Teams are owning the review of the operation and delivery of seasonal, temporary or one-off services and activities, these reviews take place during the operation as well as a more detailed review on completion of the service, this includes a lessons learned log. For the 2023 seafront pop-ups offer, this review is underway, once finalised, the findings and learnings will be disseminated to wider teams and staff and will feed into the Seafront Strategy review. An early learning identified from this review is that moving forward, planning permission is required to have been obtained, where required, for any pop-up offer.
 - Declaration of interest forms submitted by staff, and where required mitigations have been put into place.
18. Staff now take responsibility for undertaking their own mandatory training, this is monitored by the Head of Service and is supported by additional guidance around corporate processes and procedures. Dates for refresher, face to face, training sessions where examples specific to Commercial Operation will be discussed are in the process of being arranged.
19. As part of the response to the Seafront Pop-up and Bayside Restaurant internal audit report findings, at the request of the Chief Operations Officer, an independent Code of Conduct, disciplinary investigation has been undertaken in relation to one member of BCP Council staff in connection to Bayside Restaurant, the focus of the investigation was to consider four areas of concern which have been summarised below:
- A declaration of interests form had been signed declaring a close personal interest with an organisation, yet there were no measures taken to distance the staff member involved from the procurement process.
 - The audit report highlights concerns relating to the contract award and the subsequent financial performance. Appropriate scrutiny was not applied to the financial forecast provided and the figures provided were unrealistic.
 - The absence of a formal decision record does not facilitate transparency and public justification and had the potential to be construed as masking improper influence over procurement decisions.
 - Limited risk assessment undertaken in procurement process.
20. The HR team sought to procure an external investigator to oversee this disciplinary investigation, four external consultants were approached by the Council in relation to this piece of work but none of them were able to commit to undertaking this work for a variety of reasons including a potential identified conflict of interest, the requirement for specific knowledge relating to internal local government procurement processes and the perceived complexities of the case.
21. The disciplinary investigation was therefore undertaken by an independent BCP Council Service Director who gathered evidence from a number of individuals as well as undertaking a desk-based review of documentation.

22. The conclusion of the investigation was that ‘despite the fact that lessons can be learnt, which are comprehensively detailed in the audit report, it is the conclusion of this investigation that a specific disciplinary focus on the staff member investigated is not warranted, that the allegations are not substantiated and that the involvement they had does not constitute misconduct’.

Updated information on previous reported breach of Financial Regulations

23. As part of the July 2023 Annual Breaches & Waivers report to Audit & Governance Committee, a breach (Br3) of £39,125 in respect of a wellbeing experience project funded by European Regional Development Funding (ERDF – Aspire). A further £9,120 was subsequently incurred in the same manner as the reported breach, bringing the total breach to £48,245.

24. Also, as part of the July 2023 Annual Breaches & Waivers report to Audit & Governance Committee report, a breach (Br11) of £425,000 was reported, as follows, in relation to a project in the Destination & Culture directorate, which has now been restructured and forms part of the Commercial Operations Directorate:

Br11, Destination & Culture, £425,000 (rounded) A Procurement Decision Record (PDR) was appropriately created for an initial £25,000 to commission a strategy and action plan for the project. A commissioning officer wrongly assumed this PDR then covered further work associated with delivering the strategy and action plan, and further purchase orders were raised over a period of about 9 months. The Head of Service is currently investigating the detail of this breach, supported by the new Director of Commercial Operations. A further update will be presented to the A&G Committee when this investigation has been concluded and the outcomes are clear. In the interim the Head of Audit & Management Assurance was asked by the Director, and has delivered, a training and awareness session covering BCP Council Financial Regulations and Public Contract Regulations 2015 requirements for commissioners within the new Commercial Operations Directorate.

25. An independent Code of Conduct, disciplinary investigation, by an officer from another service area, has concluded that officers in Destination and Culture acted in good faith but did not undertake appropriate training, diligence and self-awareness of Council policies and procedures before commissioning and procuring services from third parties resulting in the reported breach of Financial Regulations. The investigation also concluded that there was insufficient supervision and lack of clear management oversight which consequently missed opportunities to minimise the size and span of the eventual breach. The Director of Commercial Operations has taken action in line with the disciplinary policy and procedures.
26. The Director of Commercial Operations and the Head of Service has provided training to staff to ensure the staff member connected to this breach as well as staff across the service have the required knowledge and awareness of the financial regulations and Council processes. This training is due to be refreshed in the coming months.

Internal Audit Team capacity and apprentice update

27. At the previous quarterly update in July 2023 Committee, the Internal Audit team were carrying a number of vacancies. Since then, we have successfully recruited three apprentices who are now in post and commencing their Level 4 Chartered Institute of Internal Auditors Internal Audit Practitioner apprenticeship this month. One senior Auditor has since resigned and is leaving BCP Council in November. This reduces the 2023/24 audit plan by approximately 110 days, approximately 70 of which are direct core audit days. If left unfilled, this would result in 260 days, 160 direct core days in future years. Management are currently considering how this will be managed for 2023/24 and in subsequent years, given the context of expenditure controls and vacancy management arrangements, previous difficulty in recruiting experienced audit

staff and ultimately the impact on the Chief Internal Auditor to be able to provide assurance through the annual report. Once this has been decided, the Audit Plan for the remainder of the year will be reviewed and, if necessary, audits deleted from the plan on a risk basis. If this is the case, the CIA will need to proactively seek other assurance sources to be able to produce the annual statement.

Implementation of Internal Audit Recommendations

28. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date will be reported to the Audit & Governance Committee. This is to ensure the Committee is fully apprised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
29. There were 6 recommendations across 4 audits which met the criteria, they are shown in detail in Appendix 3.
30. It should be noted that the first 3 recommendations on the schedule are shown for a second time as the agreed revised date has passed. Consequently, Internal Audit have required a more detailed explanation as to why this was the case, shown in the Explanation from Director column.
31. For the remaining 3, Internal Audit have received assurance that work is on-going to address the risks highlighted by the recommendations and reasonable explanations, explaining delays, have been received. Audit & Governance Committee are asked to review Appendix 2, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required, explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.
32. All remaining High Priority recommendations followed up during the period (in line with the agreed action plan) were found to have been satisfactorily implemented by management.
33. The Audit Charter also requires any management proposed revisions to the implementation dates of Medium Priority recommendations to be agreed by the Chief Internal Auditor, who will report to Audit & Governance Committee any such requests considered unreasonable. There are no such instances this quarter.

Options Appraisal

34. An options appraisal is not applicable for this report.

Summary of financial implications

35. The BCP Internal Audit Team budgeted cost for 2023/24 is £742,600 (subject to any final pay awards) which is inclusive of all direct costs including supplies & services but does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget cost above is inclusive of the Head of Audit & Management Assurance who manages other teams.
36. The vacancies highlighted in paragraph 27, will result in an underspend against the budget for this financial year. Depending on a range of factors, such as vacancy clearance and recruitment timing, the underspend will be between £20,000 and £30,000. Adding this underspend to those previously explained and reported in the first part of the financial year will likely lead to an aggregate underspend of about £50,000. This figure has been included in the outturn projections in the latest corporate budget monitoring report.

Summary of legal implications

37. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

38. The BCP Internal Audit Team currently consists of 14.3 FTE. This includes 3.0 FTE apprentices to cover 2.0 FTE formal establishment vacancies as per the July 2023 audit report. The FTE count will reduce by 1.0 FTE in November due to a known vacancy arising as an auditor will leave for an external opportunity.

Summary of sustainability impact

39. There are no direct sustainability impact implications from this report.

Summary of public health implications

40. There are no direct public health implications from this report.

Summary of equality implications

41. There are no direct equality implications from this report.

Summary of risk assessment

42. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix 1 - Executive Summary Internal Audit report - Review of Pop-Up / temporary activities incorporating Bayside restaurant

Appendix 2 – **Confidential & Redated** – Full Internal Audit report - Review of Pop-Up / temporary activities incorporating Bayside restaurant

Appendix 3 - High Priority recommendations – original target date for implementation not met

INTERNAL AUDIT REPORT

Seafront: Review of Pop-Up / Temporary Activities Incorporating Bayside Restaurant – 2022/23/24



A. Executive Summary

The objectives of this review were to determine and assess adequacy of governance, oversight and operational arrangements relating to pop-up / temporary activities on the Seafront and Bayside Restaurant in particular.

In total we have made 18 recommendations, 16 Medium Priority and two Low Priority. A summary of recommendations can be found in Appendix E.

| Area of Scope | Key Findings | Assurance Rating |
|--|---|------------------|
| 1. Timeline and key decisions taken | | |
| 1.1 Produce Bayside Restaurant project timeline including officer key decisions | | N/A |
| 2. Fit with Seafront Strategy and associated action plans, programmes and projects | | |
| 2.1 Determine overall strategy for use of pop-up restaurants and activities on Seafront | There is no pop-ups strategy in place nor other formal articulation of the Seafront pop-ups approach and only scant mention in the Seafront Strategy. | Partial |
| 2.2 Review how pop-up restaurants and activities fit with Seafront Strategy and/or other relevant strategies | Pop-ups are mentioned in the Seafront Strategy in relation to specific 'character areas' but there is no articulation of the overarching approach. | Partial |
| 2.3 Identify and review associated service / project / programme / action plans | There is no overarching pop-ups programme nor associated plan in place. Service Plan makes no mention of pop-ups and only passing reference in the Seafront Team Service Plan. | Partial |
| 3. Business planning, risk assessment and associated approvals process | | |
| 3.1 Determine overall business planning arrangements for pop-up restaurants and activities | There are no formal business plans or project plans in place for individual pop-ups. | Minimal |
| 3.2 Review overall adequacy of Bayside Restaurant business case | No formal business case was in place for Bayside. Reliance was placed on financial modelling information provided by the third party operator, Company W . | Minimal |

| Area of Scope | Key Findings | Assurance Rating |
|--|--|------------------|
| 3.3 Review Bayside Restaurant business case financial assessment | <p>Of the four scenarios modelled by Company W, the most likely case was only projected to return a profit of c.£38k, not accounting for profit sharing and apparent overstatement of takeaway income which would reduce the Council's share of projected net profit to c.£6k.</p> <p>In June 2022 abortive costs of not going ahead with Bayside were estimated at up to £80k, whereas in March 2022 they were expected to be "up to £25k" with cancellation of the venture presented as "Maybe the most pragmatic option".</p> | Partial |
| 3.4 Review Bayside Restaurant business case risk identification, sensitivity analysis and plans for ongoing risk and issue management | <p>Limited risk assessment was carried out as part of the Procurement Waivers process.</p> <p>No formal arrangements were put in place for ongoing risk and issue management.</p> <p>The widely held view amongst staff that Bayside was undertaken at councillors' insistence is not reflected in correspondence between Officer A (Destination & Culture) and the Portfolio Holder for Culture & Vibrant Places.</p> | Partial |
| 3.5 Review Bayside Restaurant business case approval and ongoing governance arrangements including roles and responsibilities, reporting and escalation of issues arising. | <p>Decision making arrangements have been difficult to determine with no clearly documented formal decision record beyond the limited detail contained within Procurement Waivers.</p> <p>The ultimate definitive decision to proceed with Bayside appears to have been made by Officer A (Destination & Culture) in June 2022.</p> <p>Officers and third party contractors felt that, even where they raised concerns, these were dismissed on the basis that Bayside was a trial and it was what councillors and/or the Council wanted. Many interviewees also reported that the aims and objectives of the restaurant were unclear from the outset.</p> | Partial |
| 4. Procurement and contract management arrangements | | |
| 4.1 Determine overall process for procurement and contract management for seafront pop-ups including compliance with Financial Regulations | <p>Separate contracts were put in place with the Bayside and Air Festival events and catering providers despite the two suppliers essentially being a 'package'.</p> <p>Aggregate expenditure by Destination & Culture with Company W is significant, more than £350k non-tendered spend having been incurred since April 2019.</p> <p>It is not clear that consideration has been given to aggregating any of this work to make it more attractive to the market and ensure value for money is obtained.</p> <p>Quotations had not been obtained in the recent past for Air Festival Hospitality provision (of which Bayside was arranged as an extension) due to the absence of alternative suitable providers, however, this assertion cannot be evidenced in the absence of market testing.</p> <p>Whilst not comprehensively reviewed, sample testing suggests that other pop-up food outlets have been tendered in accordance with Financial Regulations.</p> | Partial |

| Area of Scope | Key Findings | Assurance Rating |
|--|--|------------------|
| 4.2 Review procurement arrangements for Bayside Restaurant including specification, award process and contract design | <p>Contract design was weighted heavily in favour of the third party operators with payment of a fixed fee plus profit share and no liability for losses.</p> <p>Waivers were signed by Officer A (Destination & Culture) despite having declared a close personal relationship with the Directors of the operating company. Officer B (Destination & Culture) made a similar declaration and was found to have had significant involvement in the Bayside decision.</p> | Partial |
| 4.3 Review Bayside Restaurant contract management arrangements | <p>Bayside was framed as a 'trial' of a mixed management model, but there was little meaningful management oversight during operation.</p> <p>Insufficient time was allowed between infrastructure installation and opening to allow contract monitoring and performance management arrangements to be put in place.</p> | Partial |
| 5. Financial and performance management arrangements | | |
| 5.1 Review calculation of expected outturn for Bayside Restaurant to confirm accuracy and completeness | Arrangements appear reasonable. The final outturn figure was calculated to be a £173.5k net loss. | Reasonable |
| 5.2 Determine process for financial and performance management of seafront pop-up restaurants and activities with specific focus on Bayside Restaurant | <p>Budget codes and cost centres are aggregated at too high a level and do not always align to activity.</p> <p>Financial monitoring is undertaken at a high level which masks individual pop-up / event performance and risks poor performance going unnoticed and unchecked.</p> <p>Sample testing identified instances of poor financial management practice including miscoding and purchase orders having been raised retrospectively following receipt of invoice.</p> | Partial |
| 6. Closedown and lessons learned | | |
| 6.1 Review lessons learned from previous pop-up projects including Bayside Restaurant | <p>No formal lessons learned exercises have been undertaken for pop-up projects including Bayside.</p> <p>Lessons were not learned from a failed similar 'upmarket' undertaking at West Cliff earlier in 2022.</p> | Minimal |
| 6.2 Review Bayside Restaurant end of contract arrangements including equipment and stock | <p>Insufficient set-up time and subsequent system issues meant that stock controls were largely non-existent throughout the operating period.</p> <p>There is no obvious evidence of over-ordering, excessive wastage or theft of stock, however, in the absence of robust stock controls, reasonable assurance cannot be given.</p> <p>There was significant expenditure on front of house staffing, arrangements for which appear to have been insufficiently flexible to adapt to fluctuating demand.</p> | Partial |

Appendix 3 - Table showing High Priority recommendations where the original target date for implementation was not met

| Recommendation | Original Target Date | Explanation from Director | Revised Target Date | Internal Audit Comments |
|---|----------------------|--|---------------------|---|
| Education & Skills - Alternative Provision (AP) 2022/23 | | | | |
| The adequacy of placement monitoring should be reviewed in order to be able to confirm that a young person placed in Alternative Provision is receiving an equivalent education to that of mainstream schools. | 30/5/23 | Children placed at Alternative Education Provision (AEP) schools who are identified as at risk or who are not successfully engaging with their placement are reviewed in detail with the AEP on a termly basis. Weekly reports are received from any unregistered AEP regarding children placed with them. Whilst it is recognised this is not sufficient, given current capacity limitations the approach to prioritise has been chosen whilst a service review is underway. EHCP for SEND placements in Alternative Provision are reviewed on an annual basis. Inclusion Service placements are reviewed on at least an annual basis. Review processes to be further developed through AP review and service redesign process. | 31/12/23 | Full-service redesign is underway to address the risk. Interim actions to be in place to prioritise children identified as risk or non-engaging. |
| Children's Services – Capital Programme 2021/22 | | | | |
| <p>The Children's Service Capital Programme Strategy should be updated to ensure it considers the following:</p> <ul style="list-style-type: none"> • Aims & objectives. • Roles, responsibilities and accountabilities. • How it links to the Council's Big Plan and other relevant corporate strategies. • Governance arrangements, including oversight of the Capital Programme Board linking into the corporate capital and reporting processes • Links to policies such as condition survey, including frequency and grading criteria used and impact on budget setting process, Capital Project Methodology. • How it links to the SEND Strategy and any other additional funding received. | 30/6/22 | Restructure paper for Children's Capital has been considered by Children's SLT and passed to CMB. Once accepted we can begin the recruitment work to implement the new structure. Request has been made through the Delivering Better Value Project for a project manager to support mapping the procurement and commissioning of additional SEND sufficiency for EOI through acceptance, planning, legal, commissioning to build and populating with SEND Children and Young People. | 31/12/23 | Improvement project underway to address the risks. |

| Recommendation | Original Target Date | Explanation from Director | Revised Target Date | Internal Audit Comments |
|--|----------------------|--|---------------------|---|
| <p>The Service should ensure that the following improvements to the programme governance arrangements are made:</p> <ul style="list-style-type: none"> • Determination of a Programme Manager responsible for the delivery of the Children's Services Capital Programme. • Implement a standard capital project methodology which should include a business case / feasibility study, a project gateway process and a clear approval process. • Formalisation for the commissioning of project managers. • Clarifying the Team / Board responsible for receiving regular capital programme and project updates and in what format. | 30/6/22 | <p>Delays with the work to restructure the team mean that interim arrangements for the management of schemes are continuing. The restructure was considered by Children's SLT in August 2023 and includes provision for a Programme Manager, School Project Manager and Assistant roles and a SEND Capital Lead. The roles that make up the team evaluated in July 2023. It is planned that the new structure will be implemented as soon as the formal approval of the structure and HR activities are complete. Awaiting SLT approval of revised budget which now included On Costs. Then will be passed to CMB for approval. Recruitment can then commence.</p> | 31/12/23 | <p>Improvement project underway to address the risks.</p> |
| IT & Programmes – IT Infrastructure & Hardware Procurement & Asset Management | | | | |
| <p>The ICT asset register should be reviewed to ensure the serial numbers within it are accurate and complete.</p> <p>Whilst this is being done, all other data should be reviewed to confirm accuracy and completeness.</p> | 30/9/23 | <p>Records have been reviewed and duplication of records identified and corrected. Serial numbers have been checked against Intune and SCCM to identify correct devices where possible to do so remotely. Kit known to have been disposed of previously decommissioned in Assist.</p> <p>User allocations have been checked and completed with the exception of Tablets where a change is necessary to the Assist system to correct the upload of User accounts (scheduled for w/c 23/10/23)</p> <p>Quarterly reviews will be carried out to ensure consistency of data in future.</p> | 31/11/23 | <p>Actions are underway to implement the recommendations.</p> |
| <p>The configuration of System Centre Configuration Manager (SCCM) should be reviewed to ensure that all active and inactive assets are reported correctly. After this, data used by SCCM should be reviewed to ensure it is correct and that no duplicate data exists.</p> <p>SCCM should also be reconciled to the ICT asset register on a regular basis.</p> | 30/9/23 | <p>Review has been taken of data in SCCM to identify inconsistencies. Work is being carried out to correct errors in SCCM. A large number of devices that are in Assist but not in SCCM are new kit still stored by XMA in their warehouse awaiting call off so would not be picked up by SCCM.</p> <p>Ongoing reviews will be carried out by Service Delivery team at regular periods (quarterly) to ensure consistency.</p> | 31/11/23 | <p>Actions are underway to implement the recommendations.</p> |

| Recommendation | Original Target Date | Explanation from Director | Revised Target Date | Internal Audit Comments |
|---|----------------------|---|---------------------------|--|
| Adult Social Care – Brokerage Procurement | | | | |
| Ensure Booking forms and/or letter of agreements are in place for all parties involved in a timely manner. Ensure signed copies are retained. | 30/9/23 | Due to the timing of the recommendation target date, an update will be provided at the next A&G Committee if necessary. | To be agreed if necessary | An update will be provided at the next A&G Committee if necessary. |

This page is intentionally left blank

By virtue of paragraph(s) 1,2,3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank