

Notice of Audit and Governance Committee

Date: Thursday, 20 March 2025 at 6.00 pm

Venue: HMS Phoebe, BCP Civic Centre, Bournemouth BH2 6DY



Membership:

Chair:

Cllr M Andrews

Vice Chair:

Cllr E Connolly

Cllr S Armstrong
Cllr J Beesley
Cllr P Broadhead

Cllr M Phipps
Cllr V Slade
Cllr M Tarling

Cllr C Weight

Independent persons:

Lindy Jansen-VanVuuren

Samantha Acton

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=5979>

If you would like any further information on the items to be considered at the meeting please contact: Jill Holyoake on 01202 127564 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

12 March 2025

**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
(janie.berry@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 27 February 2025.

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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.bcpCouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of public questions is midday on Friday 14 March 2025 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 19 March 2025 [midday the working day before the meeting].

The deadline for the submission of a petition is Thursday 6 March 2025 [10 working days before the meeting].

ITEMS OF BUSINESS

6. Review of BCP FuturePlaces Limited

Following the Committee's debate on 28 November 2024, and 27 January 2025, the purpose of this report is to provide an overview of BCP FuturePlaces Limited from its inception to the most recent decision making relating to shareholder governance in so far as it relates to BCP Council.

27 - 78

7. Carters Quay

79 - 98

The Audit and Governance Committee meeting on 27 February 2025, requested an update on the ongoing work on the Carters Quay development as part of the Corporate Risk Register. This report provides an update in response to that request.

Please note: Should the Committee wish to discuss the detail of the exempt Appendix 2 the Committee will be asked to consider the following resolution in relation to that discussion:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 in Part I of Schedule 12A of the Act and that the public interest in withholding the information outweighs such interest in disclosing the information."

8. Risk Management - Corporate Risk Register Update

99 - 196

This report updates councillors on the position of the Council's Corporate Risk Register. The main updates are as follows:

- All Corporate Risks were reviewed during the quarter.
- CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding. The update on this risk references the fact that Children's Social Care has had an Ofsted full ILACS inspection and has been rated Good.
- CR24 – We may fail to adequately address concerns around community safety and environmental impacts. The environmental impact elements of this risk have been separated.
- CR27 – We may fail to adequately address concerns around environmental impacts. This is a new risk added during the quarter.

Material updates for this quarter are outlined in sections 10.

9. Internal Audit - 4th Quarter, 2024/25, Audit Plan Update

197 - 206

This report details progress made on delivery of the 2024/25 Audit Plan for 4th quarter.

NOTE – due to Committee dates, only January and February are included in the report. March 2025 will be included in the Q1 2025/26 progress report to Audit & Governance Committee in July.

The report highlights that:

- 4 audit assignments have been finalised, including 3 'Reasonable' audit opinions and 1 'Follow Up';
- 30 audit assignments are in progress, including 7 at draft report stage;
- Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion;
- There are no outstanding recommendations which require escalating to this Committee.

The Council Tax Single Person Discount pilot undertaken by Internal Audit has now been completed, resulting in a total yield of £672,733. This project is now being undertaken as 'business as usual' by the Income Maximisation and Compliance Team, who have achieved an addition council tax yield of £71,352 for the first three months.

10. Global Internal Audit Standards and Internal Audit Charter

207 - 256

To comply with the new Global Internal Audit Standards (GIAS), the Application Note for the Global Internal Audit Standards in the UK Public Sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government, this report introduces the new Internal Audit Charter for BCP Council. The Internal Audit Charter has been completely revised in light of the new requirements and contains other key documents, such as the Internal Audit Strategy and the Quality Assurance & Improvement Programme.

This report also provides an overview of the GIAS, which comes into effect from 1 April 2025 and the action plan in place to ensure full conformance with the standards.

11. Internal Audit - Audit Plan 2025/26

257 - 274

To comply with the Global Internal Audit Standards (GIAS), and the Application Note / CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government, this report outlines the BCP Assurance Framework and the Internal Audit Plan for 2025/26.

The BCP Assurance Framework has been updated to indicate 'Member Oversight' of the assurance functions through the various committee meetings.

The final Internal Audit Plan for 2025/26 has been produced. Completion of the plan will enable the Head of Audit & Management Assurance to provide an annual conclusion on the Councils' governance, risk management and control arrangements.

The allocated budget resource for 2025/26 is considered adequate to deliver the Internal Audit Charter and Audit Plan for 2025/26.

12. Forward Plan - Indicative for the 2025/26 municipal year

275 - 278

This report sets out the indicative list of reports to be considered by the Audit & Governance Committee for the 2025/26 municipal year in order to enable it to fulfil its terms of reference.

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

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BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 27 February 2025 at 6.00 pm

Present:-

Cllr M Andrews – Chair

Cllr E Connolly – Vice-Chair

Present: Cllr S Armstrong, Cllr J Beesley, Cllr M Phipps, Cllr V Slade,
Cllr M Tarling, Cllr C Weight and Samantha Acton

Present virtually: Lindy Jansen-VanVuuren

Also in attendance: Cllr M Cox, Cllr S Bartlett

70. Apologies

Apologies for absence on local government business were received from Cllr P Broadhead.

71. Substitute Members

There were no substitute members.

72. Declarations of Interests

There were no declarations of interest.

73. Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 27 January 2025 be confirmed as an accurate record for the Chair to sign.

74. Public Issues

Public Issues received from Mr Philip Gatrell in relation to Agenda Item 8 – Statement of Accounts 2023/24

Public Question:

SUBJECT

Accounting for the Council's IT and other equipment comprising laptop computers, mobile tablet computing devices including iPads, smart phones including iPhones and basic cellular phones.

BACKGROUND

An earlier year's response to my Section 26 Local Audit and Accountability Act 2014 request stated the above items were not treated as fixed assets because they were below de minimis capitalisation thresholds.

The overdue 2023/24 response to my associated request for the essential inventory states "not a document that exists" - implying such equipment is now capitalised.

QUESTION IN INTEGRAL ELEMENTS

- Are the above defined items recorded individually as fixed assets in the accounting records (Oracle Fusion or otherwise) including details of their users and what is their cumulative acquisition cost at 31 March 2024?
- What by description, total number and acquisition cost were such items not capitalised but written off to revenue in 2023/24?
- What is the resale policy regarding all such equipment disposals?

Response provide by the Chair:

- No. Individual records of these asset are not kept as part of accounting records. Details of IT and other equipment are held within the asset management system managed by IT services. The acquisition cost for 2023/24 capitalised was £888,304.80.
- Zero
- BCP Council does not directly resell equipment to BCP Employees. All equipment disposals are managed through our contract with an IT Asset Disposal provider, ensuring sustainability and compliance with General Data Protection Regulation (GDPR) and Waste Electrical and Electronic Equipment (WEEE) Regulations.

Public Statement 1:

FIXED ASSETS ADJUSTMENTS AFFECTING 2023/24

NOT DISCLOSED AS RESTATED IN SUCCESSIVE STATEMENTS OF ACCOUNTS

Final 2021/22 altered by Reduction in Final 2022/23

Other Land and Buildings: £7,685,000

Vehicles, Plant, Equipment: £25,000

Final 2022/23 altered by Increase in Revised Draft 2023/24 January 27 2025

Other Land and Buildings: £14,162,000

Notwithstanding any incomplete audit work, these examples reflect unacceptable departures from conventional practice. Including -

- Prior year figures altered only within the columnar fixed assets notes. Although the comparative summary notes extracting infrastructure assets misleadingly match the prior year's balance sheet figures. Consequently alterations are neither flagged nor explained.
- Discrepancies when net book value figures brought forward disagree with the comparative carried forward figures for the prior year shown within the same columnar note.
- Miscasts due to failure to round certain £ k figures consistently thus generating unnecessary reconciliation differences.
- 31 March 2024 Group balance sheet headers incorrectly state

sequentially “31/03/22” and “31/03/23” not “31/03/23” and “31/03/24”.

Public Statement 2:

Agency Recruited Officers: Contravention of the “Status Determination Statement” Off-Payroll Rules

This matter also falls within the external auditor’s remit when considering Council’s compliance with the law and potential liabilities.

In 2024 I identified and notified Officers regarding the breach which cannot be underestimated. It is underscored by the Chancellor’s statement on increasing vigilance and penalties concerning a recognised area of systemic abuse.

The Council’s Officers have acknowledged consistent failure to execute the correct processes. It is however impossible for the Council to know with certainty whether all agencies in a “chain” have complied with the Rules.

Meaning that automatically tax and national insurance due fall as a liability on the Council at escalating interest rates. With the risk of additional severe penalties determined by non-disclosure and deemed level of culpability.

The Council’s appropriate Officers have doubtless now ensured full disclosure to HMRC.

75. Recommendations from Overview and Scrutiny

The Overview and Scrutiny (O&S) Board on 3 February 2025 considered a report on the Budget and Medium-Term Financial Plan and recommended that the Audit and Governance Committee instigate an investigation on the Carters Quay development.

The Chair of the O&S Board, Cllr S Bartlett, provided the Committee with a detailed summary of how the Carter’s Quay development had progressed since first reported to the Board in August 2021, a key concern being that the Council had paid £15.3million towards a development where the contractor, Inland Partnership, had entered administration late in 2023. Officers were now in negotiation with the Administrators to recover the land. The project was identified in the Budget report as a significant risk to the Council. Cllr Bartlett outlined some key lines of inquiry around due diligence which the Committee may wish to consider if it accepted the Board’s recommendation.

The Monitoring Officer was asked for advice on how to proceed. She explained that it was not in the best interests of the Council to support an investigation at the current time as it may undermine the ability of the Council’s appointed advisors to protect the Council’s interests and seek the best outcome. In terms of scope, the issues raised may also be better addressed by the O&S Board and then referred to Audit and Governance to monitor any lessons learned. The Portfolio Holder for Finance welcomed the appointment of insolvency practitioners. He also advised caution against compromising the Council’s position.

The Committee acknowledged the sensitivities involved. However, it was argued that this should not prevent an investigation taking place on such a high-risk issue. Members discussed how best to progress the

recommendation. It was proposed that an investigation into governance and processes of regeneration projects including Carter's Quay could be added to the Committee's work plan. Some Members felt a scoping exercise on Carter's Quay should get underway as soon as possible to ensure Members were fully prepared. The Chief Executive suggested that the Committee may wish to receive an update on matters of fact about Carter's Quay and then decide what areas to focus on. Some Members were concerned about the potential consequences of delaying/extending the timescales and the clarity of the Committee's intention. Following discussion, it was agreed to request an update on Carter's Quay as part of the Corporate Risk Register report at the March meeting. Members indicated that they would welcome any factual information available to be circulated as soon as practicable in advance of the meeting, this may include information classed as exempt but as much information as possible should be in the public domain. It was suggested that the Chief Executive could confirm in writing with members what information could be made available and when.

During the debate the following points were also made:

- That the gap between Overview and Scrutiny and Audit and Governance in terms of the remit for ongoing/live projects needs addressing, possibly when considering the assurance framework report
- That the lack of information provided in the O&S Board's recommendation was regrettable as it had prevented the Independent Persons from taking a meaningful part in the discussion and offering the committee their insight from the public's perspective.

RESOLVED that:

- a) The Audit and Governance Committee includes on its work plan for 2025/26 an investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development;**
- b) The Audit and Governance Committee asks for an update on the current ongoing work on the Carter's Quay development as part of the Corporate Risk Register report at the next committee meeting on 20 March 2025.**

Voting: Unanimous

76. Performance Management, including business planning - Governance and reporting

The Director of Marketing, Communications and Policy and the Director of People and Culture led a joint presentation, a copy of which is attached as an appendix to these Minutes. The presentation outlined the development and implementation of a new performance framework for staff across BCP Council. It set out the operating model and governance structure for the

performance framework and explained how the Corporate Strategy's key priorities linked to service planning and key performance indicators and team and individual objectives. It provided details of how the new individual performance framework was operating, including the four levels of performance (exceeding, succeeding, building, requires improvement).

Officers responded to a number of questions and comments, including:

- How to ensure there was a consistent approach in applying the performance framework at an individual level, for example in the enforcement of sanctions. How to prevent unconscious bias and the potential to use the framework to speed up exit? The need to ensure the process was fair was recognised and had been discussed with the trade unions. Members were assured that there would be oversight of the process, with data across service areas scrutinised and further work with individual service areas as required to probe further, especially if any anomalies were identified. One would expect to see all levels of performance to appear within a service. A Member questioned this point and it was clarified that this spread would be expected where there were very large teams. There were comprehensive training packages and guidance for managers, including on unconscious bias and supporting difficult conversations. The Council was working to expand its internal coaching pool and worked with regional colleagues to reciprocate external coaching arrangements.
- The expectation that most staff would be at the 'succeeding' level of performance did not appear to take into account that staff new to their roles would be more likely to start at the 'building' level. Officers confirmed that this point was accepted.
- There was a concern that the minimum performance criteria appeared to be setting a low bar, particularly in terms of public perception. The Committee was advised that the framework established a starting point for BCP Council. It involved a culture shift which would take time to embed but the framework could be developed further over time. Members were reminded of the current sensitivities around Pay and Reward.
- How would moderation be undertaken and who would be involved? The Committee was advised that a light touch approach would apply for the first year. HR business partners would be looking at results in service areas and reporting back to Corporate Management Board. The process could be developed in future years if desired.
- How did the aim of empowering people to excel fit with staff shortages, changing life circumstances and other factors which may impact on performance but not reflect ability, and how was burn out prevented? It was noted that there was a comprehensive wellbeing package available and promoted to staff. The Committee was advised that managers were encouraged to have conversations

about wellbeing as part of the performance framework. Feedback from the unions indicated that staff welcomed positive conversations about performance, this approach was supported in the performance framework without negating the need to address improvement where required.

- A point was made about management culture, the importance of moderation work and the value of peer review. How did the performance framework link with the corporate risk on the recruitment and retention of staff? The Committee was assured that as part of People and Culture Strategy, the Council was committed to working with staff on their employee experience, using a range of data to better understand their views. The end of year review process with managers offered staff space to have an open discussion about their development and ambitions. This could help in staff retention and support succession planning.

The Chair thanked the Officers for their presentation. The Chief Executive also thanked the team for their work. He referred to the number of internal promotions and external progressions as positive examples of the Council supporting staff development.

77. Statement of Accounts 2023/24

The Chair welcomed Mr Peter Barber, representing Grant Thornton, the Council's External Auditor, to his penultimate meeting of the committee. The Chair and other members thanked Mr Barber for his diligence and his assistance to members and officers during challenging times and wished him well for the future.

Mr Barber presented the 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 report included the final audited Statement of Accounts for 2023/24 for review and approval. Mr Barber confirmed that following the completion of work, Grant Thornton was able to issue its audit opinion in time for 28 February 2025 (the backstop date). As previously explained the audit opinion would include a disclaimer because of the limitations of assurance on the opening balances due to the prior year audit (2022/23). However, the positive audit year for 2023/24 provided a good platform for receiving full assurance for future years.

Mr Barber explained in more detail the main headlines in relation to the final audit findings report (ISA 260) included at appendix 1. Members were assured that none of the adjustments required had changed the Council's outturn position and useable reserves. The time spent completing the audit opinion was indicative of the number of challenges faced and this was reflected in Grant Thornton's fee. Mr Barber highlighted the significant risks identified in the audit plan. He suggested that the Council may wish to focus on the valuation of land and buildings as an area historically prone to errors. He explained the reasons for the delay in certifying the closure of the 2023/24 audit and it was noted that these did not have a material effect.

Mr Barber was asked whether the delay in receiving Dorset County Pension Fund auditor's letter of assurance could be avoided in future, particularly now Grant Thornton was the Pension Fund's external auditor. He confirmed that he was confident that all parties would be working together to ensure the letter was submitted at an earlier stage than this year. He explained in more the detail the reasons for challenging the approach taken by the valuer in applying different land values per hectare to developed and non-developed land. He was also asked about the impact of the backstop arrangements on future audit years and advised that although there was no definitive answer it may take a number of years to unwind.

Members discussed whether it was possible for the errors in the valuation of land and buildings to be addressed, either with a 'deep dive' exercise or by adding to the corporate risk register or by aiming for a more joined up approach between external audit, the valuers and the Council. The Chief Financial Officer explained that this area was not an exact science and would always throw up some discrepancies as a result of different opinions and approaches. It was noted that the nature of local government assets was inherently unusual. Significantly, the corrections required had not affected the Council's outturn position or useable reserves.

RESOLVED that:

- a) the final 2023/24 final audit findings report (Appendix 1) and the final 2023/24 Auditors Annual Value for Money Report (Appendix 2) be noted**
- b) Approval be given for the Chair of Audit and Governance and the S151 Officer to sign the Statement of Responsibilities, Letter of Representation (Appendix 3) and Statement of Accounts 2023/24 (Appendix 4).**

Voting: Unanimous

78. Financial Regulations - Annual evolution for the financial year 2025/26

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 'C' to these Minutes in the Minute Book.

Members were reminded of Committee's agreed approach to keeping certain policies up to date by way of a 'business as usual' annual evolution. The evolutionary changes shown in red text were retained in the live document for clarity. Staff were made aware of changes and copies were updated on the internet/intranet. The Committee received annual reports on the implementation of these policies.

The Committee was advised that no material changes had been made to sections A to F and H of the Financial Regulations. Some minor changes were made in a small number of places to clarify existing arrangements and

to make expectations explicitly clear. It had been necessary to materially and substantially update Part G, Procurement and Contract Procedures of the Financial Regulations for 2025/26, to reflect changes resulting from procurement regulations reform. The significant changes were summarised in paragraph 13 of the report. It was noted that the Council had very limited discretion or choice on the changes necessary, although section 22e on competition requirements did include some local choice. As a result of feedback prior to the committee, the following amendments to wording were reported:

- Part G3 – Standards – 3f: Insert wording to read ‘Ensure that contract opportunities are as accessible as possible to **all entity types and including** Small Medium Enterprise (SME)/Voluntary Community and Social Enterprise (VCSE) suppliers’
- Acronyms – VAT – Insert wording to read ‘Value Added Tax **at prevailing rate relevant to BCP Council**’

It was noted that the new regulations placed responsibility on councils to connect with local SMEs. The Head of Audit and Management Assurance was asked what the Council was doing to ensure SMEs understood the procurement process, one suggestion being to send out a guidance video with the award notification. He explained that the Interim Head of Procurement was considering this suggestion with a view to sending a video to all new suppliers. It was noted that the Council’s financial regulations were ahead of the legislation in already including the definition of a local supplier. Members asked about communicating with their local communities. Sam Acton offered to provide a link to a recent webinar on procurement and payment processes for small businesses which Members could circulate as required.

A question was also raised about whether the section on decommissioning contracts (Part G, Section 34) should include something about communication and managing expectations of service beneficiaries, particular where this involved smaller suppliers or the voluntary sector and vulnerable groups. As there were many different types of contracts involved, the Committee was advised that this may require further consideration as to whether it could be included in this section. Members were assured that where a contract exceeded the £30,000 threshold the procurement contract management team would ensure that relevant managers were aware of these issues.

RECOMMEND TO COUNCIL:

RECOMMENDED that the Financial Regulations as shown in Appendix A with the minor amendments reported and approved by the Committee be referred to Council for adoption with an operational ‘go live’ date of 1 April 2025.

In agreeing the above recommendation, the Committee noted that it may be necessary, at the discretion of the Procurement and Contract Management Team (PCM), to operationally implement some of the

changes from 24 February 2025, which was the date new legislative requirements ‘go live’.

Voting: Unanimous

79. Annual Evolution (for the 2025/26 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA)'

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.

Members were reminded of Committee's agreed approach to keeping certain policies up to date by way of a 'business as usual' annual evolution. The evolutionary changes shown in red text were retained in the live document for clarity. Staff were made aware of changes and copies were updated on the internet/intranet. The Committee received annual reports on the implementation of these policies.

The report provided a summary of changes made to the following policies to ensure they were updated in line with best practice and legislation: Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy. It was noted that the majority of changes were minor in nature. The Head of Audit and Management Assurance drew attention to the proposed delegations in recommendations ii and iii, to enable further amendments to be made during the year should legislation and internal review procedures require.

A Member asked if there were any changes to the Anti-Fraud and Corruption Policy, with reference to a matter previously raised in respect of a Business Bounce Back grant. Members were reminded that the committee had looked at this particular issue several times now, with the reports finding that correct governance procedures were followed and correct information provided to verify the spending. The matter had been scrutinised as far as it was possible to do so. It was noted that the Covid inquiry was looking into the grants systems to see what had gone well and what hadn't. The Committee was assured that robust processes were in place for the allocation of BCP Council led grants. A Member commented on the role of councillors in ensuring a zero-tolerance culture towards fraud and corruption. It was noted that the voluntary sector was subject to numerous checks and due diligence procedures for relatively small amounts of grant.

RESOLVED that

- i. the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and the Regulation of Investigatory Powers Act (RIPA)**

& Investigatory Powers Act (IPA) Policy for the 2025/26 financial year, be approved

- ii. **Delegation be approved to the Head of Audit & Management Assurance to amend the Anti-Fraud & Corruption Policy during the year via the addition of an appendix to cover new legislation coming into force on 1 September 2025 regarding the Economic Crime and Corporate Transparency Act 2023 creation of a new corporate criminal offence of ‘failure to prevent fraud’. The Head of Audit & Management Assurance will include the updated policy in the annual report to the Audit & Governance Committee of counter fraud activity in October 2025**
- iii. **Delegation be approved to the Head of Audit & Management Assurance for any changes required as part of the review of the Anti-Fraud & Corruption Policy and Whistleblowing Policy by the Equalities Impact Assessment Panel on 12th March 2025.**

Voting: Unanimous

The meeting ended at 9.01 pm

CHAIR

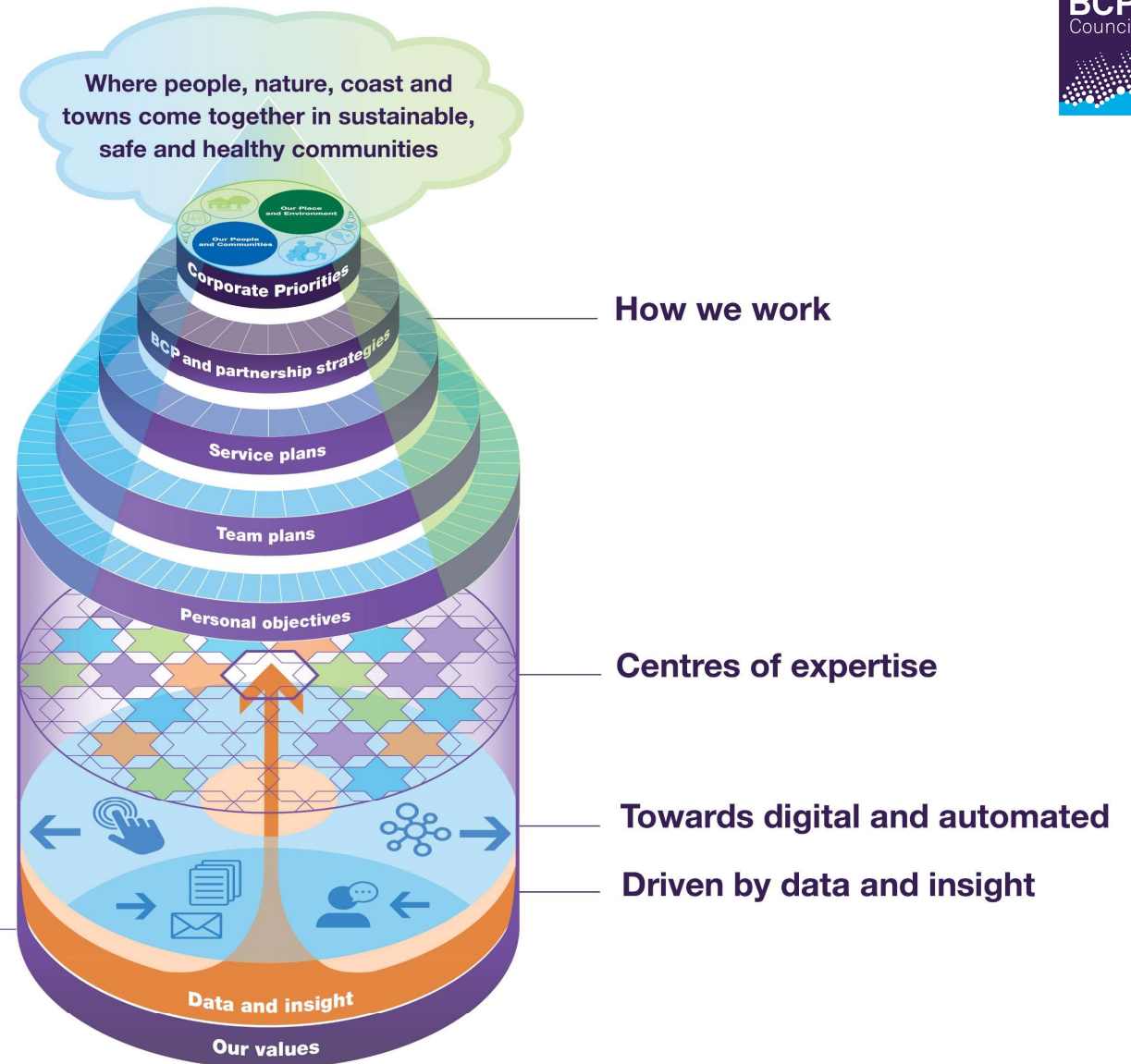
A&G Committee Performance Management

February 2025

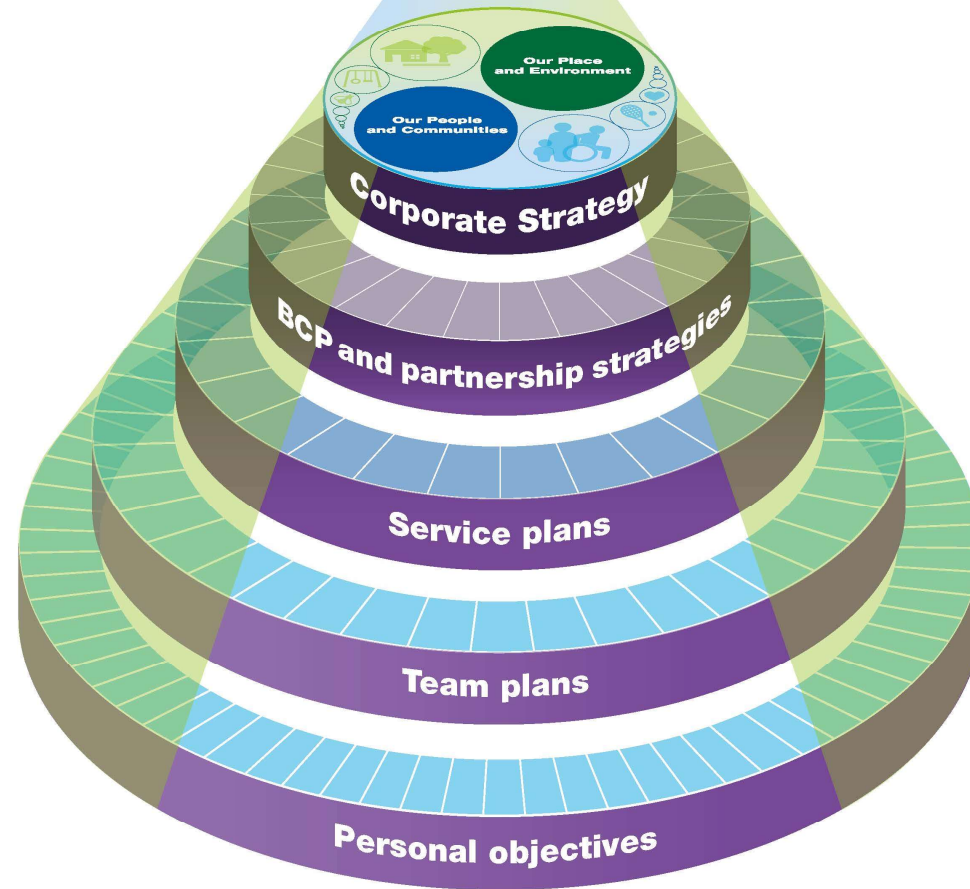
Operating model

18

-  We treat everyone with **respect**
-  We are **passionate** about our communities
-  We have **integrity**
-  We embrace **innovation**
-  We take **pride** in what we do



Where people, nature, coast and
towns come together in sustainable,
safe and healthy communities





Introduction

Our Shared Vision for Bournemouth, Christchurch and Poole is our corporate strategy setting out our vision, priorities and ambitions.

Our vision is where people, nature, coast and towns come together in sustainable, safe and healthy communities.

We have two key priorities:

- Our place and environment – vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment.
- Our people and communities – everyone leads a fulfilled life, maximising opportunity for all.


We will achieve our vision, priorities and ambitions by being an open, transparent and accountable council, putting our people at the heart of our services.

This dashboard includes the data we are using to measure progress with achieving our vision, priorities and ambitions. We will update the data on a quarterly basis to track the progress and impact over time.

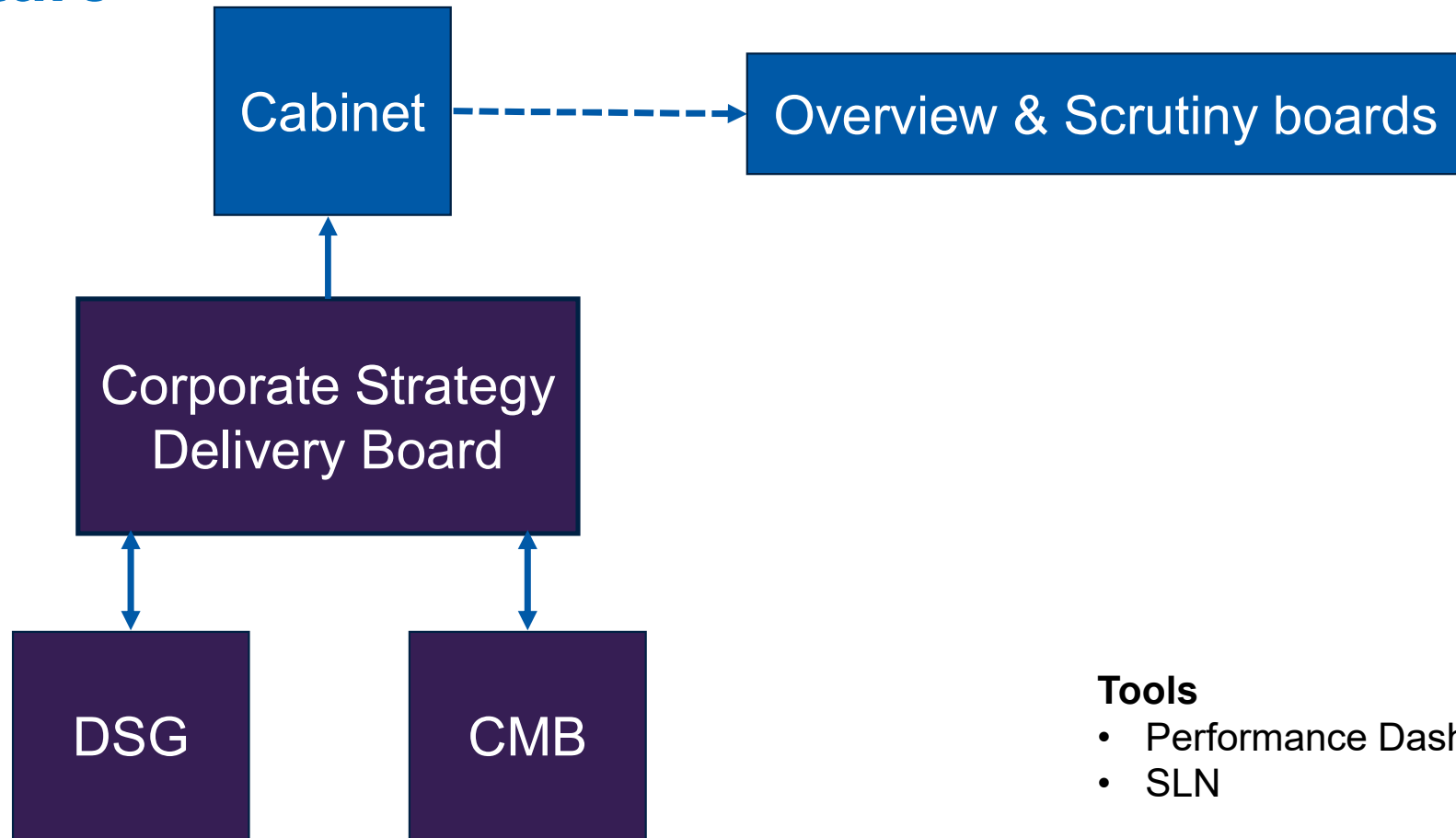
Click on the box below to view the latest progress and performance data.

Check out
progress by
Priority

Contact us

 policy@bcpcouncil.gov.uk

Structure

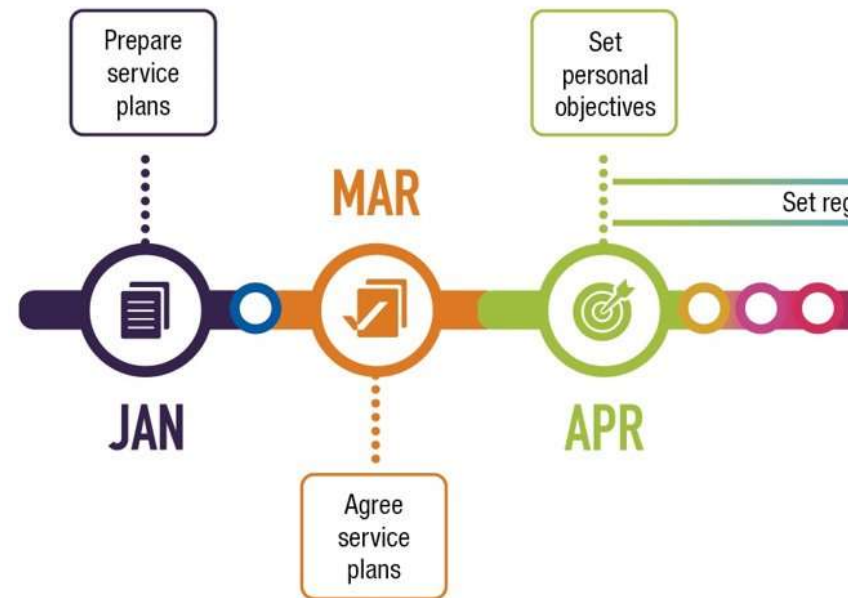


Tools

- Performance Dashboard
- SLN

Service planning

- Working towards a consistent method for service planning
- Key performance indicators that support the priorities of the Corporate Strategy
- Established organisational cycle for service planning, setting objectives, and appraisal processes
- Service plans inform team plans and individual objectives



New individual performance framework

Annual alignment linking personal objectives with service planning cycle and BCP council's ambitions

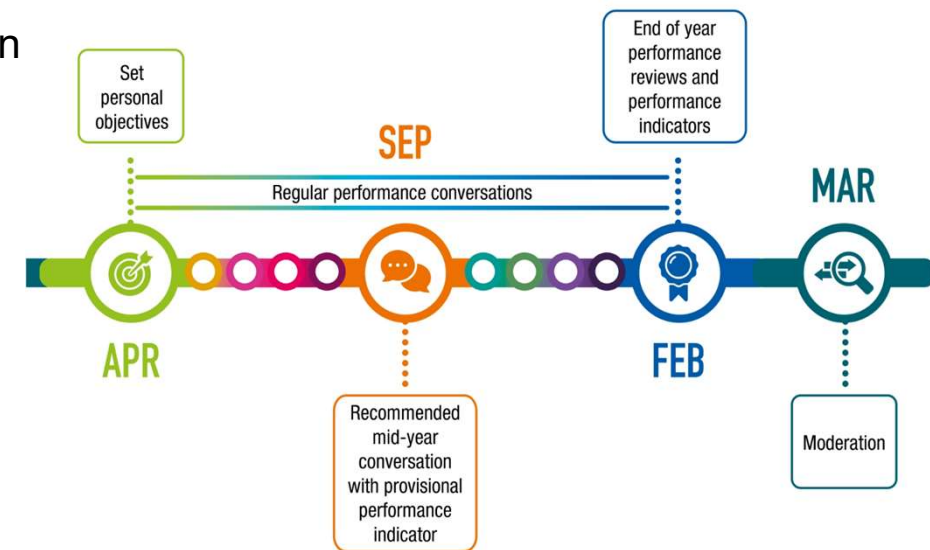
Manager accountability for ensuring all colleagues receive an end of year and mid year performance review with a performance indicator

On-line system for setting objectives; 1:1's, and performance reviews.

360 feedback programme developed

Leadership framework launched

New Coaching / Mentoring framework implemented



New individual performance framework

EXCEEDING



- exceeds expectations, goes 'above and beyond'
- achieving all objectives
- always demonstrates our behaviours
- achieved minimum performance criteria

SUCCEEDING*



- meets all expectations
- achieving all or most objectives
- demonstrates our behaviours
- achieved minimum performance criteria

* BCP Council expects most colleagues to be performing at this level

BUILDING



- meets most or some expectations
- achieving most or some objectives
- demonstrates our behaviours
- achieved minimum performance criteria

REQUIRES IMPROVEMENT



- not achieved minimum performance criteria:
 - all mandatory training complete
 - no live disciplinary or performance warnings
 - all end of year performance reviews complete (managers only)

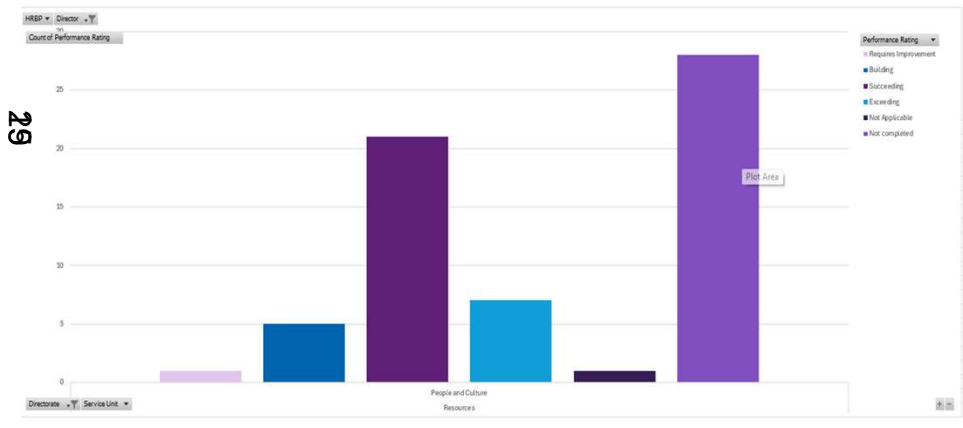
- Comprehensive training plan with over 500 managers attending performance webinars
- Minimum criteria and performance indicators established to define personal performance expectations
- Pay increments only automatic if colleagues meet minimum performance criteria (see graphic – requires improvement)

New individual performance framework

Pivot Table by Directorate

HRBP	(All)						
Director	Sarah Deane	.Y					
Count of Performance Rating	Column Labels						
Row Labels	Requires Improvement	Building	Succeeding	Exceeding	Not Applicable	Not completed	Grand Total
Resources	1	5	21	7	1	28	63
People and Culture	1	5	21	7	1	28	63
Grand Total	1	5	21	7	1	28	63

Pivot Chart by Directorate



Moderation dashboards have been created to:

- support consistency in individual performance outcome
- moderate for any non-compliance exceptions
- assess any potential unconscious bias
- provide a comprehensive overview of performance

Example of Exceptions (which would highlight anomalies)

Exceptions Applied	(Multiple Items)	.Y
Currently recorded as absent (open-ended absence)Mat to be added	(All)	
Mandatory Training compliance status as at 28/02/2025	Non-compliant	.Y
Disciplinary or performance live warnings	(All)	
Meets criteria for automatic Increment	(All)	
Is increment due 01/04/2025? (i.e. not top of scale) (YN)Not new starter post 01/10	(All)	
Count of Directorate	Perf Indicator	
Row Labels	Succeeding	Not completed
Resources	2	11
Finance		6
IT and Programmes	2	1
Law & Governance		2
Marketing, Comms and Policy		1
People and Culture		1
Grand Total	2	11

Next steps – service planning

- Embed planning cycle as organisational drumbeat
- Service plans linked to the corporate strategy dashboard
- Service plans to be linked to KPIs
- Building a flexible platform that can adapt to future organisational requirements
- Delivering service plans that cover a 2-year duration, moving away from a yearly cycle
- Designing a service plan that can be accessible to internal and external stakeholders

AUDIT & GOVERNANCE COMMITTEE



Report subject	Review of BCP FuturePlaces Limited
Meeting date	20 March 2025
Status	Public Report
Executive summary	Following the Committee's debate on 28 November 2024, and 27 January 2025, the purpose of this report is to provide an overview of BCP FuturePlaces Limited from its inception to the most recent decision making relating to shareholder governance in so far as it relates to BCP Council
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee considers the details provided and takes a view as to next steps</p>
Reason for recommendations	This is in accordance with the recommendations of the Audit & Governance Committee on 28 November 2024 and 27 January 2025.

Portfolio Holder(s):	Not applicable
Corporate Director	Janie Berry, Director of Law and Governance and Monitoring Officer
Report Authors	Janie Berry, Director of Law and Governance and Monitoring Officer
Wards	All Wards
Classification	For Decision

Background

1. Following debates on 28 November 2024, and 27 January 2025, the Audit and Governance Committee has asked for a briefing relating to BCP FuturePlaces Limited.
2. With reference to the ambitions sighted in the “The Big Plan”, the Council’s Vision for the Future approved by Cabinet and Council in February 2021, Cabinet made recommendations to deliver on “The Future of Regeneration in Bournemouth, Christchurch and Poole in March 2021.
3. In May 2021, Cabinet recommended the establishment of an Urban Regeneration Company. This urban regeneration company became known as BCP FuturePlaces Limited.
4. The Council established a Shareholder Agreement in relation to BCP FuturePlaces Limited on 22 January 2022. The initial directors appointed to the Board of BCP FuturePlaces Limited were Councillor Philip Broadhead, appointed as the Chair of the Board, former Councillor Drew Mellor and Graham Farrant, Chief Executive of BCP Council. Councillors and Officers appointed to the Board for BCP FuturePlaces Limited did not receive any additional remuneration or reward from the company for their services. The following table details the directors and non-executive directors during the lifetime of BCP FuturePlaces Limited.

NAME	ROLE	DATE OF APPOINTMENT (details from Companies House)	DATE APPOINTMENT ENDED (details from Companies House)
Councillor Philip Broadhead	Chair (until the appointment of Lord Kerslake) and Director	01.10.2021	08.11.22

Councillor Drew Mellor	Director	01.10.2021	19.01.2023
Graham Farrant	Director (until the Executive Team was appointed)	18.06.2021	31.01.2022
Gail Mayhew	Director	27.01.2022	31.10.2023
Craig Beevers	Director	27.01.2022	09.10.2023
Lord Kerslake	Chair and Director	01.10.2022	11.07.2023
Pat Hayes	Non-Executive Director	19.01.2023	09.02.2024
Karimah Fahmy	Non-Executive Director and Chair following the death of Lord Kerslake	13.02.2023	09.09.2024
Ian Marcus	Non-Executive Director	13.02.2023	09.02.2024
Chris Shepherd	Director	09.01.2024	To the close of the company on 17.12.2024

5. BCP FuturePlaces Limited had its first Board of Directors meeting on 29 October 2021 and then continued to meet until the closure of the company on 17 December 2024.
6. Appendix One to this report provides a chronology of BCP Council's decision making as it relates to BCP FuturePlaces Limited and latterly the Council's approach to shareholder governance.

7. Appendix Two to this report provides a chronology of the governance documents published which reference BCP FuturePlaces Limited.
8. Appendix Three to this report provides a chronology of the agenda and minutes for Board Meetings of BCP FuturePlaces Limited.

Next Steps for the Committee and options for consideration

9. In view of the comments made by members of the Committee in November 2024, and January 2025, it is proposed that the Committee reviews the documents provided in Appendices One, Two and Three so that an effective scoping document can be produced which focuses on areas of concern the Committee may have. The Committee must then decide how it wants to move forward and what if any issues remain unresolved by the Council and what is it that the Committee seeks to achieve by progressing with an investigation. The intention of this report is to assist the Committee in deciding its preferred course of action by setting out the criteria that the Committee will need to take into account in defining their requirements for the requested investigation in order to protect the Council and Committee's interests and to ensure that the principles of natural justice are maintained.
10. As the purpose of the Audit and Governance Committee is to seek assurance and promote good governance across the organisation it would be unusual, but not impossible, for the Committee to undertake its own investigation. Therefore, the Committee could consider the following options:
 - a) Propose an independent investigation. This would involve identifying and appointing an independent person to lead the work and report to the Committee at a date to be identified. However, it is unlikely an independent investigation would have the authority to require the attendance of witnesses as initially suggested by Councillor Beesley.
 - b) Propose a review. Appoint an independent person or organisation, for example External Audit, to undertake a review of the work undertaken to date by BCP Council and provide an evaluated assessment for the Committee to consider.
 - c) Refer the matter to Overview and Scrutiny Board with a request that this piece of work is added as a priority to its work programme.
 - d) Other option the Committee feels suitable to address its concerns
11. Before any decision as to the way forward can be agreed, there are many issues the Committee may wish to consider as all proposed ways forward are resource-intensive and are likely to require Cabinet approved funding, based on a detailed business case, before they can commence. It should be noted that the Committee does not have an allocated budget.
12. Based on the principles of natural justice and the Inquiries Act 2005, the Committee may wish to consider the following factors to assist with its decision-making process:
 - What is the desired outcome of the Committee's investigation?
 - What is the agreed scope of the investigation?
 - What resources are required to support the Committee's intentions, noting that Cabinet-approved funding may be necessary?
 - What is the timing of any proposed investigation?

- The Committee should ensure that proceeding with the investigation does not impact any ongoing or contemplated proceedings or litigation. Officers can provide advice on this matter.
- Does the Committee have sufficient independence and quoracy to proceed with the investigation?
- What is the proposed process for conducting the investigation?
- How will the Committee collate and agree on the final schedule of documents relevant to the investigation?
- How will the Committee determine the list of required witnesses, and how will it share the evidence with them?
- If witnesses are to be called, how will the Committee support their attendance? Witnesses may require independent legal representation, which may need to be funded by the Committee.
- The Committee should demonstrate fairness in its approach to evidence and witnesses.
- Potential conflicts of interest for Councillors with prior knowledge or involvement in BCP FuturePlaces Limited should be managed.
- The costs of the investigation are likely to be significant and may not be currently budgeted for by the Council. It is likely that the Committee will require external legal and financial advisors, which will need to be funded.
- The Committee must decide how much time it will allocate to this work, including time for evaluating evidence and report writing.
- The Committee should be aware of the risk of judicial review if the process is perceived as procedurally unfair or if there is a vires risk. Any application would be costly, and the Committee would need to establish its defence and seek external representation.

Options Appraisal

13. Whilst the Audit & Governance Committee can note and consider the options detailed in the body of this report and take into account other alternatives, it also has the option not to take any further steps in this matter and accept that sufficient action has already been taken by BCP Council to address previously published weaknesses based on the documentation presented at Appendices One, Two and Three.

Summary of financial implications

14. The Audit & Governance Committee does not have its own allocated budget and therefore a business case setting out the resource needs and how it will be funded for any planned investigation will need to be approved by Cabinet.

Summary of legal implications

15. There are a number of legal implications referenced within this report however care much be taken to ensure any proposed activity is procedurally fair and transparent

and not present as a vires risk. The Inquiries Act 2005, whilst a useful reference, is not applicable to local authority investigations and inquiries. In respect of the role and functions of the Audit and Governance Committee, the Committee must operate within its terms of reference as outlined within BCP Council Constitution. For additional guidance, the Committee is invited to consider the national guidance produced by the Centre for Governance and Scrutiny which for ease is included at Appendix 4 of this report and that produced by CIPFA which is produced at Appendix 5 of this report.

Summary of human resources implications

16. There may be implications depending on the views taken by the Committee as to next steps.

Summary of sustainability impact

17. None directly arising from this report

Summary of public health implications

18. None directly arising from this report

Summary of equality implications

19. None directly arising from this report

Summary of risk assessment

20. None directly arising from this report but a variety of risks may arise during the course of the work envisaged by the Committee which will need careful evaluation and mitigation as and when they arise.

Background papers

BCP Council Constitution – terms of reference of the Audit & Governance Committee;

Audit & Governance Committee – 28 November 2024, Agenda, reports and Minutes

Audit & Governance Committee – 27 January 2025, Agenda, reports and Minutes

Appendices

Appendix One - chronology of BCP Council's decision making as it relates to BCP FuturePlaces Limited and latterly the Council's approach to shareholder governance

Appendix Two - chronology of the governance documents published which reference BCP FuturePlaces Limited

Appendix Three - chronology of the agenda and minutes for Board Meetings of BCP FuturePlaces Limited

Appendix Four – Centre for Governance and Scrutiny – Audit Committees and Scrutiny Committees: working together [CfGS-Audit-and-scrutiny-v2.pdf](#)

Appendix Five – CIPFA: the audit committee and organisational effectiveness in local authorities [Local authority audit committees](#)

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APPENDIX 1 – BCP COUNCIL DECISION MAKING

DATE	MEETING / EVENT	SUMMARY	LINK TO DOCUMENT
10.02.2021	Cabinet	Our Vision for the Future (Our Big Plan) Bournemouth, Christchurch and Poole – the UK's newest city region	View link
10.03.2021	Cabinet	The Future of Regeneration in Bournemouth, Christchurch and Poole <i>This report summarises the opportunities and the Council's ambitions for regeneration in the BCP area. It seeks to strengthen the Council's capacity to deliver, setting out an approach for reviewing and progressing the available options to realise those opportunities and ambitions. The report sets out the options for increasing our regeneration delivery capacity, working with an urban regeneration company and other forms of partnership as well as sourcing external consultancy input</i>	View link
10.03.2021	Cabinet	Minutes of meeting	View link
26.05.2021	Cabinet	Proposed Regeneration Vehicle Options Appraisal <i>To achieve the Council's regeneration ambitions across the conurbation at pace, this report recommends the creation of a wholly owned Urban Regeneration</i>	View link

		<i>Company (URC). The URC will bring together the resources, leadership, and focus required to deliver the ambitions set out in the Big Plan which was considered by Cabinet and Council in February</i>	
26.05.2021	Cabinet	Minutes of Meeting	View link
08.06.2021	Officer Decision Record	<i>To approve business case to create the BCP Urban Regeneration Company and to establish the company in line with the decision of Cabinet of 26 May 2021. To provide further information requested by Cabinet in its report 26 May 2021. Following consideration of the business case the formal decision is taken to establish the URC as a corporate entity and enable it to operate as soon as possible.</i>	View link
20.09.2021	Overview & Scrutiny Board	Minutes of Meeting	View link
29.09.2021	Cabinet	<p>Accelerating regeneration and investment in the BCP area</p> <p><i>This report sets out how the Council can bring forward an innovative approach to the way we manage regeneration and development. ... This report describes how by forming a URC the Council will enable investment to be delivered at a greater pace and scale without compromising the quality and sustainability of development. The report also considers the future role of Bournemouth Development Company (BDC) and the plans for delivering the Bournemouth Town Deal for Boscombe.</i></p>	View link
29.09.2021	Cabinet	Minutes of Meeting	View link

18.10.2021	Overview & Scrutiny Board	Minutes of the Meeting	View link
27.10.2021	Cabinet	<p>BCP Commissioning Plan for Regeneration and Development and Urban Regeneration Company Business Plan</p> <p><i>...This report proposes that the Council should adopt a key commissioning model for regeneration working with key partners including its URC, BCP FuturePlaces Limited, the Bournemouth Development Company (BDC) and the Boscombe Towns Fund Board to delivery high quality regeneration and development for residents. This report explains the Council's approach, detailing how it will commission services from FuturePlaces; the initial plans for regenerating key sites, and the anticipated outcomes from the approach</i></p>	View link
27.10.2021	Cabinet	Minutes of the Meeting	View link
10.03.2022	Audit & Governance Committee	Minutes of the Meeting	View link
16.05.2022	Portfolio Holder Decision Record Cllr Drew Mellor, Leader of the Council	<p>Funding of BCP FuturePlaces</p> <p><i>Approve the carry forward of resources that Council previously allocated to regeneration from 2021/22 to 2022/23</i></p>	View link
16.06.2022	Place Overview & Scrutiny Committee	Minutes of the Meeting	View link

22.06.2022	Cabinet	<p>BCP FuturePlaces Ltd – Revised business plan and funding mechanism</p> <p><i>This report seeks approval for finding changes to the business model due to revised approach as proposed in the Councils 2022/23 Budget as to how the company will be funded. It also seeks approval for the revised company business plan as Council approval as sole shareholder as such a change is a reserved matter under the Shareholders Agreement.</i></p> <p><i>It also seeks approval to streamline the Gateway Approval process outlined in the Commissioning Plan. The changes seek to remove duplication and ensure that each new stage builds on, and complements, its predecessor. There will not be a reduction in the work required to investigate options for delivery of each project and it is still based on HM Treasury Green Book guidance.</i></p>	View link
22.06.2022	Cabinet	Minutes of the Meeting	View link
12.07.2022	Council	Minutes of the Meeting	View link
07.09.2023	Audit & Governance Committee	Grant Thornton: Auditor's Annual Report on Bournemouth, Christchurch and Poole Unitary Council	View link
07.09.2023	Audit & Governance Committee	Minutes of the Meeting	View link
20.09.2023	Corporate and Community Overview &	Minutes of the Meeting	View link

	Scrutiny Committee (renamed Overview & Scrutiny Board)		
27.09.2023	Cabinet	<p>The Future of BCP FuturePlaces Ltd, investment and development</p> <p><i>This report makes recommendations following a review of BCP FuturePlaces Ltd's (FuturePlaces) work programme and business plan to enable BCP Council to deliver financially sustainable investment and development</i></p>	View link
27.09.2023	Cabinet	Minutes of Meeting	View link
07.11.2023	Council	Minutes of Meeting	View link
10.01.2024	Cabinet	<p>Council-Owned Companies – Shareholder Governance Review</p> <p><i>This report sets out the action taken to ensure appropriate and effective governance of Council owned companies including the independent governance review undertaken by DLUHC, a self assessment review of Council-owned companies undertaken by the Council's Internal Audit Team, and the governance review undertaken by the Interim Chair of BCP FuturePlaces Ltd which considered lessons learnt over the first year of operation.</i></p> <p><i>Following the work undertaken above and the subsequent closure of BCP FuturePlaces Ltd, a review of shareholder governance arrangements for all Council-owned companies was</i></p>	View link

		<p><i>undertaken by the Interim Corporate Director for Resources in November 2023.</i></p> <p><i>The review recommends changes designed to provide clearer understanding of the respective roles, decision-making arrangements, and improved accountability along with next steps for implementation should these recommendations be approved.</i></p>	
10.01.2024	Cabinet	Minutes of the Meeting	View link
11.01.2024	Audit & Governance Committee	<p>Council Owned Companies Shareholder Governance Review</p> <p><i>Following a question raised at Council on 7 November 2023, the Leader of the Council has asked the Audit & Governance Committee to consider a report on lessons learnt from a governance perspective following the closure of the Council's Urban Regeneration Company – BCP FuturePlaces Limited.</i></p> <p><i>This report sets out the action taken to ensure appropriate and effective governance of Council owned companies including the independent governance review undertaken by DLUHC, a self assessment review of Council-owned companies undertaken by the Council's Internal Audit Team, and the governance review undertaken by the Interim Chair of BCP FuturePlaces Ltd which considered lessons learnt over the first year of operation.</i></p> <p><i>Following the work undertaken above and the subsequent closure of BCP FuturePlaces Ltd, a review of shareholder governance arrangements for all Council-</i></p>	View link

		<p><i>owned companies was undertaken by the Interim Corporate Director for Resources in November 2023.</i></p> <p><i>The review recommends changes designed to provide clearer understanding of the respective roles, decision-making arrangements, and improved accountability along with next steps for implementation should these recommendations be approved.</i></p>	
11.01.2024	Audit & Governance Committee	Minutes of the Meeting	View link
25.07.2024	Audit & Governance Committee	Grant Thornton: Interim Auditor's Annual Report for the year ended 31 March 2024	View link
25.07.2024	Audit & Governance Committee	Minutes of the Meeting	View link
02.10.2024	Cabinet	<p>Council owned companies Shareholder Governance Review</p> <p><i>This report sets out the action taken following the reports to Audit & Governance Committee on 11 January 2024, and to Cabinet on 10 January 2024, advising on the lessons learnt from a governance perspective following the closure of the Council's Urban Regeneration Company – BCP Future Places. These reports recommended changes designed to provide a clearer understanding of the respective roles, decision-making arrangements and improved accountability for council owned companies.</i></p>	View link

		<p><i>In response to the recommendations from both Audit & Governance Committee and Cabinet this report now sets out the detailed governance framework proposed by BCP Council via the establishment of the Shareholder Advisory Board and the Shareholder Operations Board together with supporting Guidance for Councillors and Officers appointed to Outside Bodies.</i></p> <p><i>A further report providing an update following a review of the existing Council owned companies on their effectiveness will be presented to a future meeting of Cabinet.</i></p> <p><i>It is also noted that in line with the governance framework initially approved by Audit & Governance Committee and Cabinet in January 2024, BCP Councillors currently appointed to council owned companies will be removed and replaced with Officer appointments. Further details about these arrangements will be detailed in a further report to Cabinet</i></p>	
02.10.2024	Cabinet	Minutes of the Meeting	View link
15.10.2024 Reconvened on 04.11.2024	Council	<p>Minutes of the Meeting</p> <p>Council approved the inclusion of the Shareholder Governance Framework in the Council's Constitution subject to amendments</p> <p>Councillor question</p>	View link

APPENDIX TWO – GOVERNANCE DOCUMENTS WHICH REFERENCE BCP FUTUREPLACES LIMITED

DATE	MEETING / EVENT	LINK TO DOCUMENT
25.01.2022	Shareholders Agreement in relation to BCP FuturePlaces Limited	View link
.03.2023 updated .06.2023	BCP Council Assurance Review prepared by Graham Farrant, Chief Executive	View link
07.06.2023	BCP FuturePlaces Limited – Governance Review prepared by Karimah Fahmy, Director	View link
03.08.2024	DLUHC Independent Report: External assurance review of Bournemouth, Christchurch and Poole Council prepared by Lesley Seary	View link
.01.2024	Shareholders Agreement Deed of Variation	View link

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APPENDIX THREE – BCP FUTUREPLACES LIMITED BOARD MEETINGS

DATE	MEETING / EVENT	LINK TO DOCUMENT
29.10.2021	Board of Directors meeting Agenda	View link
16.12.2021	Board of Directors meeting Agenda and Minutes of previous meeting	View link
25.01.2022	Shareholders Agreement	View link
27.01.2022	Board Meeting Agenda and Minutes of previous meeting	View link
24.03.2022	Board Meeting Agenda, Register of Director Interests and Minutes of previous meeting	View link
12.05.2022	Board Meeting Agenda, Register of Director Interests and Minutes of previous meeting	View link
18.07.2022	Board Meeting Agenda, Register of Director Interests and Minutes of previous meeting	View link
29.09.2022	Board Meeting Agenda, Register of Director Interests and Minutes of previous meeting	View link

09.11.2022	Board Meeting Agenda, Register of Director Interests and Minutes of previous meeting	View link
15.12.2022	Board Meeting Agenda and Minutes of previous meeting	View link
26.01.2023	Board Meeting Agenda and Minutes of previous meeting	View link
09.03.2023	Board Meeting Agenda and Minutes of previous meeting	View link
28.04.2023	Board Meeting Agenda	View link
13.06.2023	Board Meeting Agenda BCP FuturePlaces Annual Review 2022/2023	View link View link
04.08.2023	Board Meeting Agenda	View link
18.08.2023	Extraordinary Board Meeting	
23.08.2023	Board Meeting Agenda and Minutes	View link
30.08.2023	Board Meeting Agenda and Minutes from 04.08.2023, 18.08.2023 and 23.08.2023	View link
06.09.2023	Board Meeting Agenda and Minutes of previous meeting	View link
13.09.2023	Board Meeting Agenda and Minutes of previous meeting 30.08.2023	View link
20.09.2023	Board Meeting Agenda and Minutes of previous Meeting 06.09.2023	View link

27.09.2023	Cabinet Meeting Minutes	View link
04.10.2023	Board Meeting Agenda and Minutes of Previous meeting on 13.09.2023 and 20.09.2023	View link
11.10.2023	Board Meeting	
18.10.2023	Board Meeting Agenda and Minutes of previous meeting 04.10.2023	View link
31.10.2023	Board Meeting Agenda and Minutes of previous meeting 11.10.2023	View link
15.11.2023	Board Meeting Agenda and Minutes of previous meeting 18.10.2023	View link
13.12.2023	Board Meeting Agenda and Minutes of previous meeting 31.10.2023 and 15.11.2023	View link
19.12.2023	Draft deed of variation to the Shareholder Agreement	View link
10.01.2024	Board Meeting Agenda and Minutes of previous meeting on 13.12.2024	View link
09.02.2024	Board Meeting Agenda and Minutes of previous meeting on 10.01.2024	View link
29.02.2024	Board Meeting Agenda and Minutes of previous meeting on 09.02.2024	View link
25.07.2024	Board Meeting Agenda and Minutes of previous meeting on 29.02.2024	View link

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Audit committees and scrutiny committees: working together

This paper has been produced with financial support from the LGA, as part of CfGS's contracted delivery of local government improvement services funded by the UK government.

Our thanks to colleagues at CIPFA, the NAO and the local councils and councillors who assisted us in the preparation of this document. Any errors are those of the author.

Report author: **Ed Hammond**

June 2021

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- Action on mindset and culture

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- Risk

- Value for money

- Wider policy issues, and the impact of council strategy on financial management

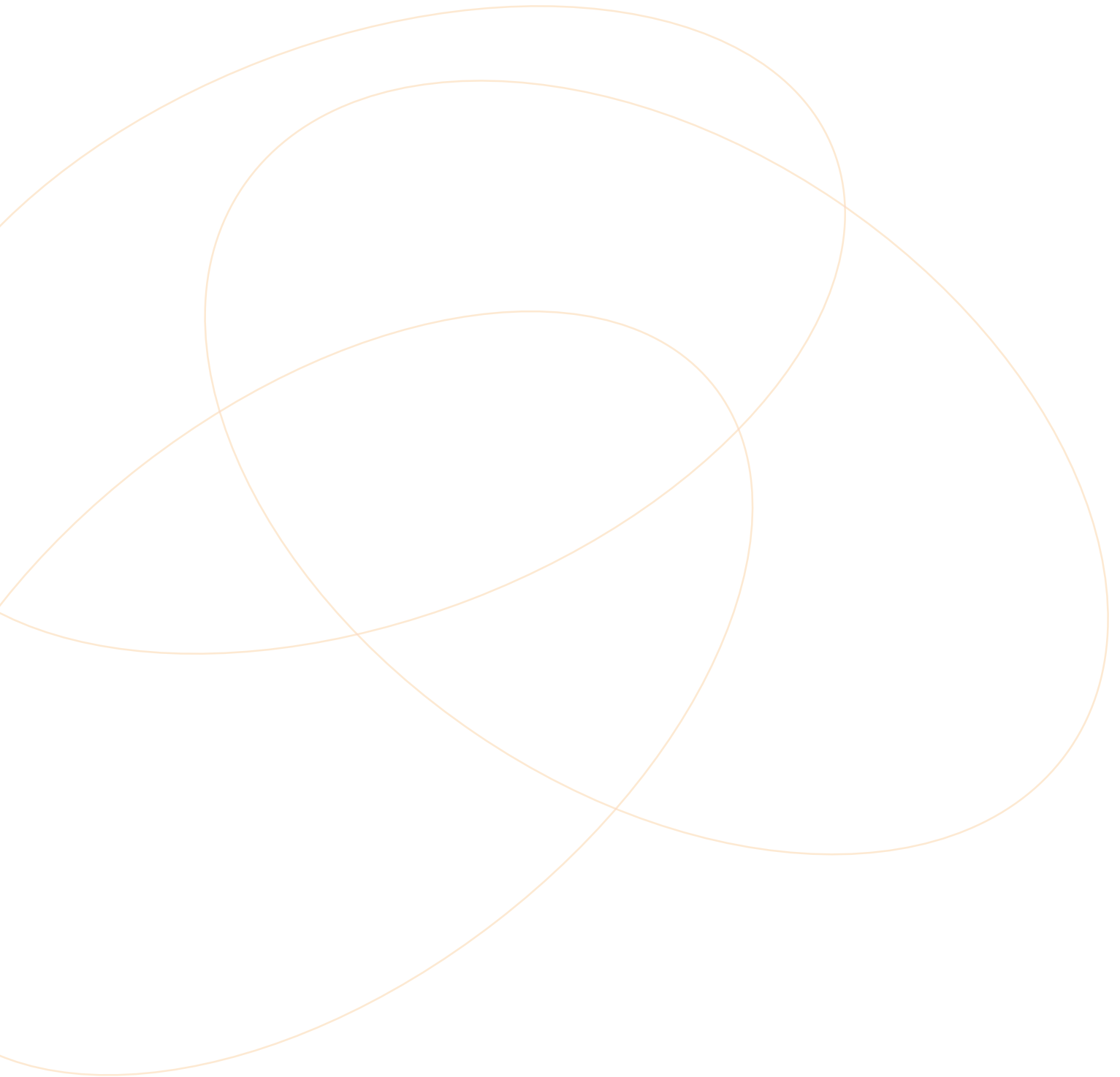
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Introduction



This is a guide for councillors on audit committees and scrutiny committees on how member-level activity on audit, and councils' scrutiny functions, can work more closely. It focuses in particular on how scrutiny can contribute productively to the core functions of Audit committees.

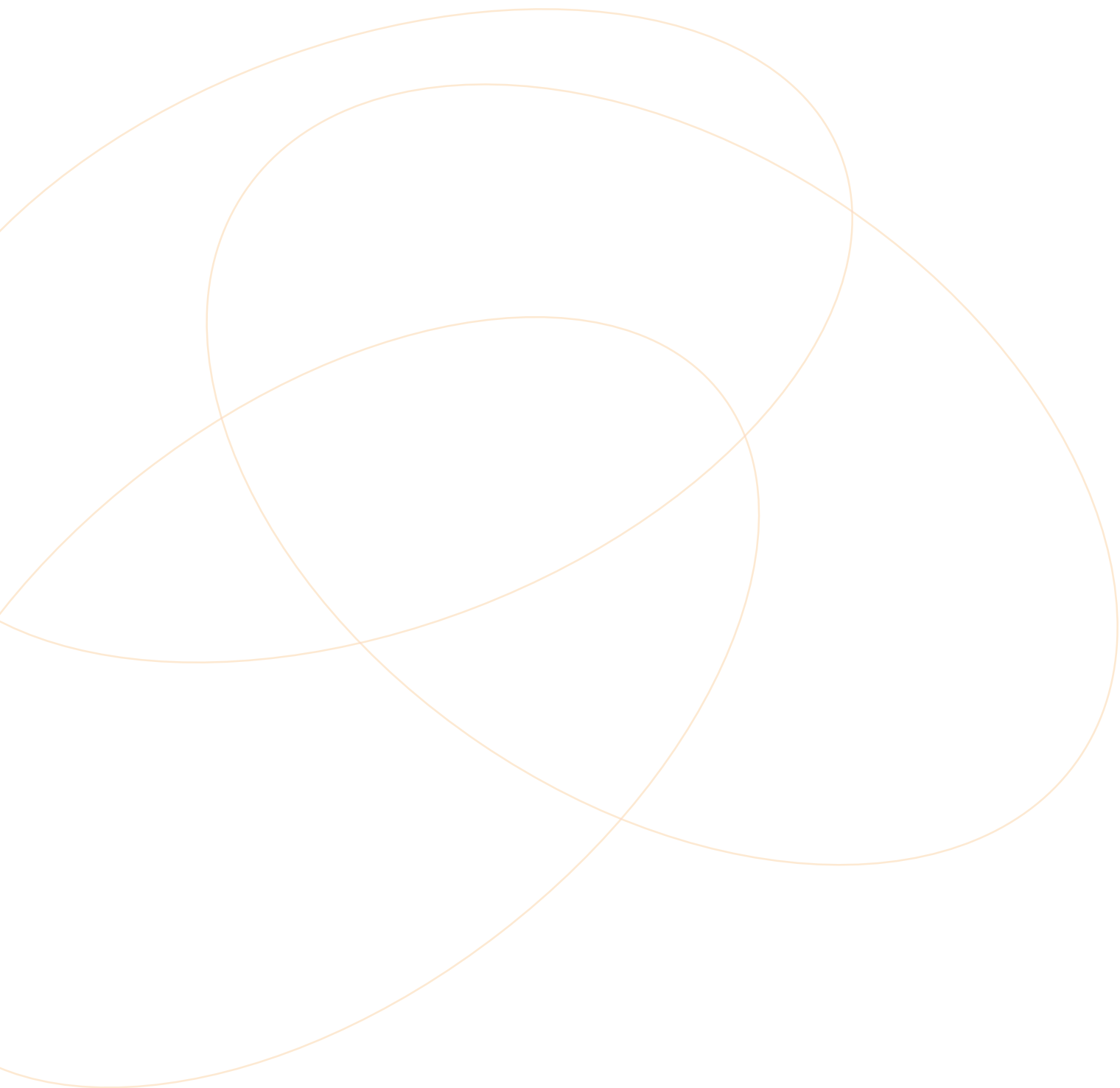
Effective, member-level oversight of financial matters is a cornerstone of good governance.

This paper should be read and acted on in conjunction with:

- “Audit committees: practical guidance for local authorities and police” (CIPFA, 2018);
- “Delivering good governance in local government: framework” (CIPFA, 2016)
- CIPFA Financial Management Code (CIPFA, 2019)
- “The Code of Practice on Managing the Risk of Fraud and Corruption” (CIPFA, 2015);
- “The financial scrutiny practice guide” (CfGS, 2020);
- “The governance risk and resilience framework” (CfGS/Localis, 2021);
- “The Code of Audit Practice” (NAO, 2020);
- Any recent updates to the Public Sector Internal Audit Standards.

This paper should also be read in the context of the statutory duties on financial held by the section 151 officer, as well as the statutory duties on good governance held individually and collectively by senior officers generally.

Executive summary



This paper suggests practical ways for councillors sitting on audit committees and scrutiny committees, and the officers supporting those roles, to share information and work together better. These people can work together to.

- Clarify the core roles of both functions;
- Have regular conversations about committees' work programmes, and responsibilities;
- Agree ways to ensure that issues can be passed between committees, avoiding duplication;
- Engage members of the audit committee on scrutiny task groups, or in budget scrutiny;
- Carry out work to develop the Annual Governance Statement and the scrutiny Annual Report;
- Spread awareness of the audit function (and councillors' roles in relation to audit) across the council's wider membership.

Councillors' roles relating to audit and scrutiny are distinct. Scrutiny is concerned with the review of policy, its formulation and implementation. Audit operates to ensure that the governance and risk environment within the council is effective and that financial management is fit for purpose.

Each requires its own focus and resources. CIPFA recommends against combining audit and scrutiny in a single committee. Such action risks conflicts of interest, spreading councillors and others too thin, and losing clarity over both audit and scrutiny's important statutory functions. Both functions require distinct support and should be able to operate effectively and independently. But because the functions relate to similar areas, there will be matters of common interest where it makes sense to collaborate.

These matters include:

- **Action on mindset and culture.** Culture here is about the attitudes, behaviours and values of those involvement in the management and oversight of financial management. Scrutiny can use its role to test and challenge the presence of this culture across the organisation as part of its wider role.
- **Securing good governance.** Audit committees have a formal responsibility relating to the governance framework, including the preparation of the Annual Governance Statement. Scrutiny's inquiries can also serve to identify weakness and risk in this area, insight which can inform the development of the AGS. This may include the wider transparency of the council on financial matters;
- **Risk.** This is a critical part of the responsibility of member audit. Risk is an important factor in particular areas of audit committees' activity (for example, on treasury management as we mention below). Risk also plays an important role in assessing the "materiality" of misstatements in the financial statements (which we also explain further below). For scrutiny, risk can provide an important framework for prioritising matters on the work programme – it can be used as a tool to understand where pressures and weakness lies on which scrutiny can contribute productivity. It is easy to see how scrutiny and Audit's areas of interest might converge, given these roles;
- **Value for money.** All authorities have a responsibility to make arrangements to secure "best value", and continuous improvement, under the Local Government Act 1999 – ensuring that scrutiny and audit work closely together on this critical issue is likely to be important. Audit and scrutiny have distinct and complementary roles here – Audit oversees the adequacy of arrangements to

secure VfM while scrutiny can delve into performance and outcomes. External auditors have a responsibility for assuring that authorities have arrangements in place to ensure value for money;

■ **Wider policy issues, and the impact of council strategy on financial management.** This may include some of the following:

- How the council plans for the future, and how its medium term financial plan and its corporate plans align for the long term;
- The way the council works with its partners (and exposure to risk in respect of those matters). This may include the way that the council procures and outsources services, its approach to borrowing and the capital strategy, its approach to commercial activity, and other local factors which may influence financial affairs.

Most of these roles link closely to the “core functions” of Audit as set out in CIPFA guidance. More detail on the statutory functions and contexts of both the Audit and scrutiny functions can be found in the appendix.

Structural matters

- In some councils, the member audit and scrutiny functions are joined, often through an “Audit and Scrutiny Committee”. CfGS agrees with CIPFA’s recommendation that the functions of the Audit and scrutiny committees should not be combined in a single committee. Blurring the roles of these functions puts a council at significant risk of weak governance.
- CIPFA and CfGS also recommend against the practice of audit committees taking on other responsibilities (for example, for the Audit committee to be termed an “Audit and Governance” committee).

Similarly, many scrutiny committees have varied terms of reference. Some councils have multiple scrutiny committees, some only one. In councils with multiple scrutiny committees it is likely to make most sense that the scrutiny/audit committee liaison that this paper suggests occurs between the audit chair and the chair of any “parent” scrutiny committee, with that chair ensuring that an awareness of audit issues is built into the working patterns and plans of other scrutiny committees. Otherwise, individual conversations with multiple scrutiny chairs are likely to lead to confusion.

Ways to collaborate



Chairs and officers involved in both audit and scrutiny should meet and correspond regularly to talk about workplans and identify any potential duplication or gaps in coverage. This section sets out the kinds of tasks that these discussions should focus on – there is however no single correct approach.

Clarifying the core roles of both functions.

As a first step, this involves an awareness of statutory roles and responsibilities. More detail on formal roles and arrangements can be found in the appendix.

The role of audit is set out in CIPFA guidance, which lays out some core functions for committees. These include:

- Assurance on good governance and decision making
- Improving value for money
- Improving public reporting and accountability
- Embedding ethical values and countering fraud
- Effective risk management
- Effective internal controls
- Effective audit and assurance

Officer support is important here. The council's s151 officer and the head of audit and risk management, along with the council's monitoring officer, will have a range of responsibilities.

The role of scrutiny is more general. In legislation, scrutiny committees may look at anything which affects the area or the area's inhabitants. Scrutiny committees can select a range of methods to do this – taking reports in committee, or carrying out research in “task and finish” groups. Scrutiny makes an impact by making recommendations to the council's executive, or to other local bodies. Government guidance on scrutiny published in 2019 highlights the breadth of the function's role, and suggests that each council will need to consider a more narrow focus for scrutiny activity which offers the opportunity for maximum impact.

Given these overall functions and responsibilities there are a few areas of policy and practice where the work of audit committees and scrutiny committees could overlap. For example:

- Reviewing regular finance and performance reports;
- Reviewing council commercial activity, including oversight of procurement;
- General review of value for money arrangements .

External auditors have a core duty to publish:

- an opinion on the authority's accounts, and
- a conclusion on “value for money” arrangements.

(More on the role of the external auditor can be found in the appendix)

The publication of the external auditor's narrative opinion on value for money is likely to provide an important anchor for discussion on the relationship between the Audit and scrutiny committees and their respective roles.

These discussions will inform practical, day to day liaison about “what should go where” – which we go on to talk about in more detail below.

Regular conversations about committees' work programmes and responsibilities

Good working relationships are a precondition for any meaningful collaboration between audit and scrutiny committees.

Things for audit and scrutiny chairs to discuss

- Matters of emerging concern (arising from regular financial, performance or risk reporting);
- Longer term work (budget development, the planning of the medium-term financial strategy);
- Corporate governance matters (the production of external auditors' opinions, the production of the Annual Governance Statement)
- Agreement on how more in-depth work on these matters might be dealt with – whether and how audit committee and a scrutiny committee might work together in understanding and pursuing improvement on those issues – the next part sets out exactly what that agreement might look like.

A formal protocol is not needed for this to work – nor is the exchange of reports or the mutual reporting of minutes to other committees.

It is most likely that a brief monthly conversation between chairs will provide the best start – and will give a sense of what matters might need to be discussed in more detail.

More detailed discussion might, for example, be needed around the time of the publication of the external auditor's opinion and the preparation of the Annual Governance Statement.

Less frequently, the council's s151 officer, and Head of Internal Audit, might want to discuss the the scrutiny/Audit relationship and their mutual work with the authority's statutory scrutiny officer.

Agreeing who does what

Discussions will have to focus on who is doing what, and where the audit and scrutiny committees are learning things through their work which might be useful to each other. This will include:

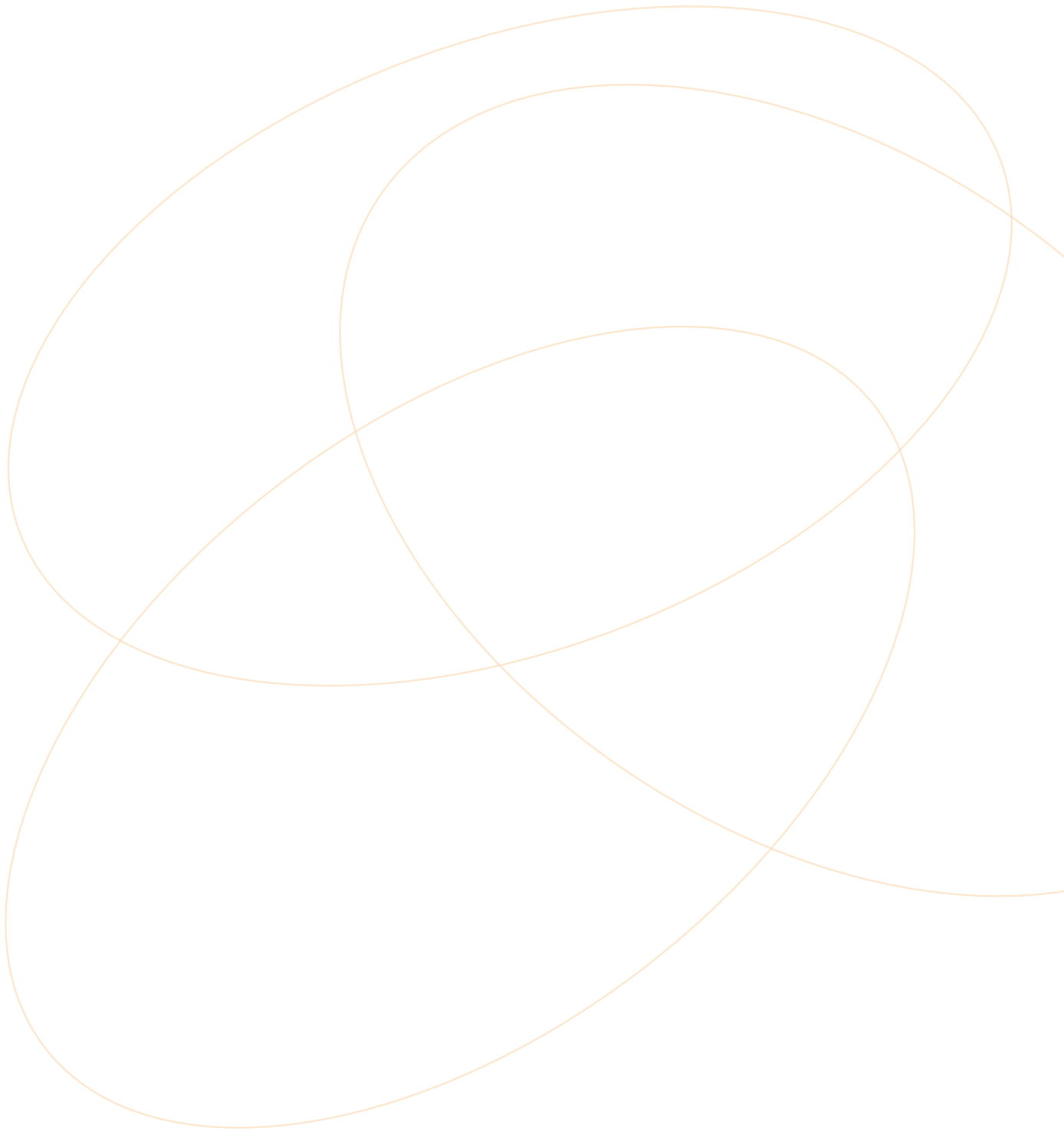
- Liaison over the scoping of certain scrutiny reviews. Scrutiny scopes will need to be developed with financial matters in mind;
- Liaison over recommendations which may arise from scrutiny reviews;
- Whether members of the audit committee might sit on certain scrutiny task groups, or be involved in the budget scrutiny process. This may help to deepen the awareness of the scrutiny function of financial issues.
- The audit committee inviting comment from a scrutiny committee on the external auditor's findings on value for money;
- Scrutiny highlighting to the audit committee matters relating to financial management and oversight which might emerge as a result of scrutiny reviews;
- Discussion over the robustness of the council's budget processes, particularly where scrutiny has an active role in scrutinising the development of the budget.

- Any particular, emerging concerns – especially where external auditors might raise points of concern or where public scrutiny of the council accounts may do the same. Here, scrutiny’s insight into broader performance issues may be useful.

The **Annual Governance Statement** is a statutory requirement, the result of a review process usually led by the Monitoring officer and s151 officer. It should normally be laid before full Council. Audit has oversight over the development and agreement of the AGS. Scrutiny is likely to have insights into the health and capability of the governance framework which may inform this review process. These may include the effectiveness of the council’s own scrutiny arrangements, which the scrutiny function may choose to evaluate by way of its own Annual Report to Council

These discussions can feed into further conversations – on what training and development councillors might require, and on the content of the council’s **Annual Governance Statement**.

How collaboration might practically work



The previous section set out those areas where collaboration might be useful – this section goes into more detail, exploring those opportunities and setting out practically how such collaboration might work.

- Action on mindset and culture.
- Securing good governance.
- Risk.
- Value for money.
- Wider policy issues, and the impact of council strategy on financial management.

Action on mindset and culture

Mindset and culture are important element of financial planning – short and long term. Councillors have a particular role to model the behaviours they expect to see from others and to ensure that the attitudes and values that underpin those behaviours are focused on supporting robust financial processes.

Practical opportunities for joint working

The presence of **a culture of financial probity**, realistic approaches to risk (which we cover in more detail below), and a mindset of candour and openness on financial and budget matters all support the need for close audit/scrutiny working.

Scrutiny work programming might be designed to specifically take into account financial matters, and the scoping of individual reviews themselves might involve discussion of financial matters as a matter of course. This serves two purposes – raising the profile of financial matters and ensuring that they are treated as “business as usual” in scrutiny’s work, and integrating an awareness of financial management into scrutiny reviews.

Sometimes, scrutiny councillors might feel that technical issues around financial management need looking into. They might decide to pass those matters to the audit committee. Conversely, the audit committee may ask scrutiny to look more deeply into a given subject by reviewing its non-financial implications. All of this activity is designed to highlight the attitude that **collaboration on financial matters is important – that while statutory responsibility for many issues lies with audit, an awareness of financial challenges and an obligation to act on them is something which is collectively owned, requiring a whole-council response**.

Some of this will inevitably involve consideration of attitudes towards risk, and risk appetite, which we discuss in more detail below.

Action on mindset and culture: questions to ask and issues to explore

- What can the external auditor's opinion tell us about the culture and behaviours present in the authority around financial management generally?
- How are cultures and behaviours exhibited in practice – for example, in how officers respond to requests by the public to inspect the accounts?
- How do officers in service departments respond to financial pressures?
- How do officers (and members) shift their priorities in consequence of financial pressures?
- Where priorities and circumstances do shift in-year, what approach do officers and members take towards things like virement, underspends and overspends, and what are the processes and systems which define how such matters are overseen?
- How is an awareness of the cultural components of good financial management built into the review supporting the Annual Governance Statement, and what measures are in place to address these matters strategically? (This may link to recent work carried out by CfGS and Localis – the “Governance risk and resilience framework” (2021), as well as the CIPFA Financial Management Code.

Securing good governance

The work of the audit committee (and its connection to the work of external audit) should serve the public interest. In the context of local government, whilst it is often known what councils have spent (financial stewardship), it is often not clear what councils have got for it (value for money), nor whether it has contributed towards fairness in local communities (equity)¹.

Practical opportunities for joint working

The audit committee is required to work on the preparation and reporting of the Annual Governance Statement (AGS). Scrutiny is likely to be able to feed insights on the strengths and weaknesses in the governance framework to the audit committee.

In practice, this means that **scrutiny reviews may have picked up throughout the year on themes and issues relating to good governance, which should be formally fed into the AGS.** This may be informed by the use of the CfGS/Localis “Governance risk and resilience framework” (2021).

Securing the effectiveness of internal audit is another core function of the audit committee. The audit committee holds responsibility for oversight of this, but **scrutiny can explore and consider the wider organisational culture relating to how money is managed and spent as part of its work.**

Finally, the audit committee holds responsibility for oversight of the assurance framework. The framework is the mechanism by which the council’s leadership can satisfy themselves that policy decisions are being implemented, and that controls and safeguards exist and are operating effectively. Scrutiny itself forms a part of this framework. Assurance is also about councillors’ awareness of risk factors, and control issues, and how that awareness informs their responsibilities. **Scrutiny’s role will need to be fully and accurately understood by the audit committee to ensure that the potential for the scrutiny function to add a range of perspectives here is recognised.**

¹ Laurence Ferry, Audit and Inspection of Local Authorities in England: Five years after the Local Audit and Accountability Act 2014, HCLG Committee, 3 July 2019

Part of this assurance responsibility is the oversight of external auditors. This is something of which scrutiny will need to be aware, as backbench members may want to pick up on matters of concern raised in their reports, (subject to liaison with the audit committee itself²). This will be particularly pertinent if external auditors issue a qualified opinion, if they decide to issue a Report in the Public Interest, and/or where the council's s151 officer issues a s114 notice. For these circumstances, **there will need to be plans and provisions in place to determine how scrutiny and the audit committee will work together to best manage imminent threats to the authority's financial resilience.**

Securing good governance: questions to ask and issues to explore

- How can we have assurance that everyone in the governance system – members of Audit, of scrutiny, of other bodies (including Cabinet) and senior officers understand how individual and collective roles on good governance are understood and acted upon?
- How does the council (including Audit and scrutiny) incorporate an awareness of broader area working into its governance arrangements? Audit may be quite focused on the council as an institution – how aware is it (and other parts of the system) of the broader partnership and commercial dynamic within which the council operates?
- How does an awareness of financial challenges, and of the need for good financial conduct, permeate the organisation? How are the organisation's standards and values (and the standards and behaviours of members) tied to an understanding of the health of the control environment?
- Where a local person has sought to use their powers under the 2014 Act to inspect the accounts (and potentially to raise an objection) what has their experience been, what has that process revealed and are there any issues which the Audit and scrutiny committees will need to investigate in more detail?

² Recommendations 4 and 12 of the Redmond Review

Risk

There will need to be a consideration of those risks that may have a significant impact beyond the year and into the medium to long-term. The audit and scrutiny committees can seek to understand what systems are in place to tackle and mitigate those risks. In the section below on wider policy issues we look at the other side of this issue – how audit and scrutiny can work together as part of this framework to take direct action on these risks themselves.

Practical opportunities for joint working

Risk is central to effective scrutiny³. There are three components to audit committee risk management, which each have an intersection with scrutiny:

- Assurance on governance of risk. This is about oversight of the framework; for scrutiny, it will involve developing **familiarity with where leadership and responsibility lies on risk**;
- Reviewing the risk profile. **Understanding where and how strategic risks are emerging and being managed is an important audit committee task, which may benefit from scrutiny's assistance**;
- Monitoring the effectiveness of risk management arrangements. It is likely that **scrutiny can, through wider reviews of policy development, integrate an awareness of risk management into its work** – ensuring that audit committee can be supported with a grounding in what is likely to constitute the most efficacious approach to understanding evaluating risk management arrangements.

Risk: questions to ask and issues to explore

- To what extent is the authority's understanding of the financial risks it faces informed by an understanding of a clear sense of the needs of local people and demand for critical services?

³ "The governance risk and resilience framework" (CfGS/Localis, 2021), <https://www.cfgs.org.uk/governancerisk/> ; "Risk and resilience" (CfGS, 2016), <https://www.cfgs.org.uk/?publication=risk-and-resilience>

- How does specific risk management overseen by Audit feed into the management of strategic risks on council services?
- To what extent is an understanding of financial risk integrated into a broader understanding of risks to the resilience of the wider governance framework?
- How are risk matters regularly discussed by a wider range of councillors than just those sitting on the Audit committee, and how is the Annual Governance Statement used to bring these issues to the attention of the member corps more generally?

Value for money

In audit terms, ‘value for money’ (VfM) is defined as a public body’s “economy, efficiency and effectiveness in the use of its resources⁴. We have already noted the specific duties of external auditors in ensuring that an authority has steps in place to ensure value for money. This commentary can form the basis of productive audit/scrutiny committee collaboration.

Practical opportunities for joint working

Audit committees hold a particular responsibility to assure value for money, and Best Value. Councils continue to hold a legal obligation under the Local Government Act 1999 to make arrangements to effect continuous improvements to their services; the “best value” duty. The external auditor will have a responsibility for issuing an opinion on broader “value for money” objectives and whether they have been met. **As part of its substantive programme of reviews, scrutiny may be able to deliver evidence to support this activity.**

Scrutiny’s engagement in VfM matters is likely to come into play in the oversight of the budget⁵. This involves a focus on the value and outcomes of proposed budget decisions.

A key role of the external auditor is to provide a **narrative judgment on value for money at the authority**. Importantly, this is not about value for money substantively, but about assurance that the council has the systems in place to assure value for money (the external auditor does not look at the outcome of that assurance process). Scrutiny can play a role in ensuring that the council does deliver services that are value for money through its review work.

This is likely to be particularly important in councils which have adopted outcomes-based accountability (OBA), outcomes-based budgeting (OBB) and outcomes-based commissioning (OBC). These three linked sets of practices fix attention on outcome and impact, and demand that the needs of local people be well understood and used to inform priorities and budgets.

⁴ Local Audit and Accountability Act 2014, s.20

⁵ “The financial scrutiny practice guide” (CfGS, 2020)

In this area in particular, scrutiny and audit committees will need to carefully consider their mutual roles. **Audit committee's core functions are all involved in overseeing the systems which support the budget development process** (such as internal audit review and assessment against the Financial Management Code) – ensuring that the process and evidence used to support it are robust. **Scrutiny's role is arguably more political – engaging in the substance of decisions, weighing up priorities and impacts.** This provides **an opportunity to align the functions** by ensuring that formal oversight of financial systems is carried out in the context of an awareness of the political dynamics within which they sit.

Value for money: questions to ask and issues to explore

- How does the authority use the judgment of the external auditor on value for money to ensure that value for money is substantively delivered? What specific role(s) can scrutiny play to secure value for money?
- How does the judgment of the external auditor on value for money feed into wider discussion on service design?
- How does the council draw in intelligence and insight from the public, partners and other places to give it an accurate assessment of the value for money of its services?
- To what extent are performance management frameworks (and other management systems) designed around value for money?

Wider policy issues, and the impact of council strategy on financial management

This includes an awareness of risks, opportunities and impacts arising from policy decisions more generally – long term corporate plans (and how they interact with the medium-term financial strategy), partnership working, procurement, commercial activity and connected matters.

The emerging risks that councils are facing at the time of writing (June 2021) largely centre around commercial ventures. In time however this will change, and review of the council's strategic risk register will provide a sense of how these changes are happening, and where the greatest policy-related risks to financial management lie.

Practical opportunities for joint working

Governance and oversight of an increasingly complicated environment within which public services are designed and delivered places particular stresses on finances. Our ability to understand these pressures boil down to our ability to predict how they will impact on finances in the short and long term. The nature of risk – particularly in light of the pandemic – can shift exceptionally quickly, making long term planning a challenge. Together, audit and scrutiny committees can explore the practical implications of this uncertainty and support councils to understand how they can enhance their resilience to future shocks.

These may include:

- the creation of new vehicles for service delivery,
- the development of complex partnerships which have the potential to make accountability less clear, and
- councils embarking on commercial or other activity which – as has been seen in 2020/21 – can expose them to unexpected financial challenges.

These policy pressures, and others, link to what we said in the sections above on risk.

At a member level, the audit committee holds responsibility for oversight and assurance of the governance framework, within which scrutiny should expect to work. The audit committee will need to ensure that the governance framework, as it evolves and becomes more complex, with more stakeholders, is designed not only to permit involvement of the scrutiny function, but to ensure that it is meaningfully integrated in a way that adds value. There is the potential here (particularly relating to councils contracting with other bodies) for tension around commercial confidentiality, with governance obligations under the Companies Act, and with the general perception that governance for commercial activity needs to be streamlined. This makes audit committee oversight and careful design of an ongoing member role through scrutiny especially important.

Wider policy issues: questions to ask and issues to explore

- Where do responsibilities lie for overseeing the risk factors around long term planning?
- How might the need for confidentiality in respect of the way that the council engages with certain partners impact on a) the ability of councillors to understand risks relating to commercial operations and b) the financial exposure of the authority to risks around failure?
- What is the intersection between governance of the council and governance of (for example) commercial or outsourced matters?
- What are the primary objectives of commercial and partnership activity? Are these different from the objectives of the authority, and the objectives of the other partner or partners? How have things changed over time, and how can divergence be understood and taken account of?

Appendices: explaining the formal roles of audit, scrutiny and the public



Understanding the role of the audit committee

This section is designed to provide a straightforward explanation of audit committees for members of scrutiny committees. It is intended as an introduction and is not comprehensive. Councillors wishing to know more should read “Audit committees: practical guidance for local authorities and police” (CIPFA, 2018) and speak to their council’s section 151 officer. More detailed technical information on external audit more generally can be found in the 2020 Statutory Code of Audit Practice.

This information sets out the position as it applied in June 2021. At the time of writing plans for change were being considered by Government following the Redmond Review; when these changes have been brought into force we will make amendments to this publication, and readers should ensure that they refer to the most relevant and up-to-date information.

The core of the local government audit regime can be found in the Local Audit and Accountability Act, which replaced the previous arrangements by which audit was overseen by a national body, the Audit Commission. Local authorities are also required to comply with accounting practices set out in the Local Government Act 2003, and the Capital Finance and Accounting Regulations 2003, which underpin the statutory CIPFA Accounting Code of Practice.

A useful summary of the regime (including a diagram illustrating the relationships between key actors) can be found in sections 2 and 3 of the Redmond Review (whose work and findings are referenced elsewhere in this document).

Under the Act, a number of entities have responsibility for oversight of the regime. Public Sector Audit Appointments Ltd acts as an “appointing body” for local authority external auditors – but they do not have a role in securing the health of the audit system overall, a function that used to be performed by the AC. PSAA maintains arrangements to ensure the contractual compliance of external auditors; the Financial Reporting Council and ICAEW oversee audit quality. .

The role of external auditors

The auditor’s statutory responsibilities are listed at Schedule 1 of the statutory Code of Audit Practice.

External auditors have a core duty to publish:

- an opinion on the authority’s accounts, and
- a conclusion on “value for money” arrangements (something which intersects with an authority’s duty to make arrangements to deliver “Best Value”, under the Local Government Act 1999).

The **financial audit opinion** covers the financial statements, the Housing Revenue Account and the Collection Fund Account. The work carried out by external auditors is not an exhaustive review of the accounts of the authority, line by line. External auditors will instead consider groups of transactions with similar characteristics and evaluate the risk of “material misstatement” for each. A misstatement will be “material” if it could influence the wider decisions taken by users on the basis of the financial statements. An understanding of risk, and an understanding of how the authority uses financial statements and information, is therefore an important part of the external auditor’s role.

The **value for money opinion** is not an evaluation of the substantive value for money of the authority and its services. An external auditor’s job – further to the Statutory Code of Audit Practice is to determine instead whether arrangements are in place to ensure that value for money is delivered. In doing so the external auditor must comment on:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks;
- Improving economy, efficiency and effectiveness: how the body uses informed about its costs and performance to improve the way it manages and delivers its services.

Chapter 3 of the NAO's Code of Audit Practice provides a useful summary of the auditor's obligations.

The external auditor must also issue an annual report, bringing together all of their work in the previous year. This can provide a useful basis for scrutiny and audit committees to understand where issues and concerns need to be looked at further. The annual report must be published no later than 30 September. The Redmond Review recommends that the annual report should be presented to full Council.

On occasion an external auditor may use its power to publish a "report in the public interest" (RIPI), to highlight particular concerns which need urgent attention. The Redmond Review expressed some concern that RIPIs were not issued by external auditors more regularly given the risk and pressures under which local authorities are under – this is perhaps unsurprising as the concept of "public interest" is undefined in the legislation.

Powers also exist to issue statutory recommendations to an authority. The external auditor also has important duties – in particular to consider whistleblowing disclosures and to respond to objections raised by electors or other relevant persons.

Once the audit is complete the external auditor is required to produce a completion certificate.

Audit systems within the council: in general

Within the council, audit committees, internal audit and scrutiny are all key internal checks and balances. It is important to emphasise the difference between Audit committees and the Internal Audit functions, as well as the role of the external auditors.

More detail on audit committees

Audit committees are a key component of a council's governance framework, set up to support good governance and strong public financial management. Audit committees play an essential role in providing a high-level focus on probity, assurance and reporting, and can be delegated some additional governance responsibilities by the council. Audit is concerned with the robustness of the council's arrangements to implement its policies and to manage its resources but it has no wider role in engaging with policy.

An Audit committee will be composed principally of councillors (but not members of the administration). The Redmond Review, looking into the composition of committees and the skills of their members, found that size varies significantly, and that the skills of Audit members (and the support available to them, through training and so on) also varies.

As a matter of good practice, a way of bringing expertise into the work of Audit is through the appointment of independent lay members. An independent member may act as the Chair of the committee. Again, the extent to which authorities have made such appointments, and the value that such independent people provide, was found by Redmond to vary significantly (see section 5.1.6 et seq).

“The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place”.

CIPFA Position Statement: Audit Committees (CIPFA, 2018), para 2

Internal audit

The role of internal audit is to provide independent assurance by focusing on major areas of risk for the council, both strategic and financial, in order to evaluate the effectiveness of the council's risk management and governance processes. As well as providing assurance, an internal auditor's knowledge of the management of risk enables them to act as a consultant in providing support for improvement in the council's procedures.

The scope of internal audit includes all of the council's operations, resources, services and responsibilities. Where agreements allow, this includes all contractors and other bodies commissioned to deliver services on behalf of the council.

The Head of internal audit is required to provide an annual opinion on the governance, risk, management and internal audit controls within the council. This significantly contributes to the council's statutory Annual Governance Statement (AGS). Internal audit will also summarise their work in regular, usually quarterly, reports to the Audit committee.

If you want to find out more about the purpose, authority and responsibility of internal audit, it can be found in your council's 'Internal Audit Charter'. The Accounts and Audit Regulations 2015 provide further information.

Understanding the scrutiny role

This section is for audit members, and for officers involved in internal and external audit, to explain the scrutiny function. Many (but not all) councils will have a statutory scrutiny officer – designated further to the Local Government Act 2000. This officer will be in a position to provide assistance on scrutiny's duties, and ongoing work.

All councils operating executive arrangements (councils with a Leader and Cabinet, and councils with an directly elected Mayor) are required to have a scrutiny committee. Councils operating the committee system may have a scrutiny committee but do not have to. For councils without a scrutiny committee, some of the functions described below will happen elsewhere – in service committees, at full Council, at a General Purposes Committee or, potentially, at a Policy and Resources Committee.

There is significantly less guidance and direction on the role of scrutiny than there is on the role of audit. Furthermore, members of audit are likely to have had experience of scrutiny – a seat on a scrutiny is commonly the first appointment that new councillors will enjoy once elected. Hence, this section is rather shorter than the one previous.

The council's scrutiny function has a responsibility for investigating any issue affecting the area, or the area's inhabitants. This broad power is conferred by the Local Government Act 2000.

Scrutiny may require that council officers and Cabinet members attend meetings to answer questions;

they may require the provision of information by the council (scrutiny councillors have substantial rights over information held by the authority) and they may require a response by the executive on recommendations that they make.

Scrutiny committees may make certain requests of other organisations too. In particular, local NHS bodies and community safety partnership are subject to a form of oversight from the scrutiny function.

Scrutiny committees have substantial freedom to deliver their responsibilities, and this is reflected in a very wide range of functional models for scrutiny overall. Scrutiny's role will also differ substantially from authority to authority. This will reflect local democratic need.

It is common for scrutiny to carry out its work in two ways – in committee, and through “task and finish” groups, or other forms of working groups. The latter are informal groups of councillors, politically proportionate, commissioned by a parent committee, to investigate an issue and return with a report and recommendations.

The extent to which scrutiny is able to carry out its role will depend on the resources made available to it.

In guidance (both statutory, and informally) scrutiny is recommended to establish a clear role for itself, which complements the role of other member-level bodies. Audit is likely to need to be aware of this role as part of work supporting the Annual Governance Statement, and this may provide the first opportunity to promote closer working between the two functions.

Understanding the role of the public

The public are a crucial stakeholder in assuring the financial health of local authorities. The public, in particular, have specific powers in the 2014 Act to access accounts, and there are duties around the transparency of financial reporting.

The public may inspect the council's financial statements and the underlying accounting records. They have a 30-day period in which to do so, which must include the first ten days of June. Local authorities are also, under separate arrangements, required to publish details of all expenditure over £500.

External auditors, as we have already noted, have a duty to respond to objections to the accounts made by local people, which may relate to accounts accessed in this way.

“Opening up the books” is a crucial mechanism to provide for local accountability. It is an expectation that the way that public money is spent should be fully open to investigation by local people. The Audit committee, internal audit and external auditors all have a role in ensuring that this happens, with ultimate responsibility lying with the s151 officer.

In some areas, objectors have reported poor experiences of the process – in terms of how external auditors respond to objections, the quality of the response and the level of detail provided. The method that the public might use to complain about their experiences here is, in some cases, unclear⁶.

Scrutiny functions, meanwhile, may have their own arrangements in place for ensuring public feedback and input.

⁶ Research for Action, “Democracy denied: audit and accountability failure in local government” (2021), accessible at <https://researchforaction.uk/democracy-denied-audit-and-accountability-failure-in-local-government>



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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Carters Quay
Meeting date	20 March 2025
Status	Public Report
Executive summary	The Audit and Governance Committee meeting on 27 February 2025, requested an update on the ongoing work on the Carters Quay development as part of the Corporate Risk Register. This report provides an update in response to that request.
Recommendations	It is RECOMMENDED that Audit and Governance Committee consider assurances provided in this report and accepts the commercial sensitivities of the negotiations underway and the need to reach a resolution, noting that a report will be taken to Cabinet.
Reason for recommendations	This is in accordance with the recommendations of the Audit and Governance committee meeting held on 27 th February 2025.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Glynn Barton, Chief Operating Officer
Report Authors	Amena Matin Director, Investment and Development
Wards	Hamworthy
Classification	For Recommendation

Background

1. The Overview and Scrutiny Board (February 2025) has requested Audit and Governance Committee initiate an investigation into the Carter's Quay development.

2. In addition, Audit & Governance Committee has included on its work plan for 2025/26 an investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development.
3. This report provides information to support the Audit and Governance Committee's consideration of the acquisition and development of Carter's Quay to satisfy the request made by Overview and Scrutiny Board. It should be noted that Cabinet will be updated later this year with the status of the negotiations and the options available to the Council.
4. Should the Committee feel further assurance is required, it is proposed the Committee reviews the information provided within the report to identify key lines of enquiry, should it wish to proceed to undertake its own investigation. The following methods are provided for consideration:
 - a. Propose an independent investigation. This would involve identifying and appointing an independent person and potential budget to lead the work and report to the Committee at a date to be identified.
 - b. Propose a review. Appoint an independent person or organisation, for example External Audit, to undertake a review of the work undertaken to date by BCP Council and provide an evaluated assessment for the Committee to consider.
 - c. Refer the matter to Overview and Scrutiny Board with a request to add this as a priority work area.

Pre-Contract due diligence

5. In 2021, the Council commenced discussions with Inland Homes to acquire Phases 4,5 and 6 of the residential scheme in Carter's Quay, Poole. The phases were the Build to Rent (BTR) residential element of a scheme which had been predominantly built out. The proposal was to acquire 161 new homes and ancillary ground floor residential amenity and commercial space.
6. The scheme was considered by the Council's Asset Investment Panel in August 2021 against the criteria of the Capital Investment Strategy (Non-Treasury) 2020-25 (CIS) and in the context of the Council's existing investment portfolio asset base and sector exposure. The panel had representatives from the Cabinet at the time (Leader and Deputy Leader) and it was collectively determined that it was appropriate for the Council to focus its interests on this residential scheme as it provides 161 new homes and is strategically fundamental to the delivery of the regeneration of the Holes Bay area.
7. The Leader of the Council presented the proposed Cabinet report on 23 August 2021 to Overview and Scrutiny Board.
8. The decision to acquire was considered and recommended by Cabinet to Council on 1 September 2021 and subsequently approved by Council on 14th September. This included a delegated authority to the Corporate Property Officer in liaison with the Leader, Section 151 Officer and Monitoring Officer to finalise the detailed terms of the legal documents.
9. Council approved a total budget which is set out in the Confidential Appendix A of the 1 September 2021 Cabinet report (and for ease provided with this report as Appendix 2). The authority was to enter into an Agreement for Sale for the purchase

of the land and completed buildings with the transfer of land taking place on completion.

10. On 22 October 2021 an Officer's Decision Record (ODR) was agreed following consultation with the Leader of the Council at the time, who confirmed instructions via email for officers to proceed. BCP Council executed the 'Sale Agreement' dated 4 November 2021 with Inland Partnerships limited (IPL), for Phases 4, 5 and 6 Carters Quay Development.
11. Due diligence was undertaken prior to any formal decision taken by Cabinet. This included technical input from Future Places (design review), Gerald Eve (valuation surveyor) and Bevan Brittain (legal advisors) to support the council's investment decision. A financial check was also undertaken on the associated companies, the parent company Inland Homes PLC, Inland Partnerships Limited and Inland Homes 2013. For the duration of the build, an Employer's Agent (Frazer Garner Associates) was retained to monitor the delivery and contract performance.
12. Appendix One to this report provides a chronological order of events post contract.

Status of development scheme

13. The Council became aware in October 2023 that FRP Advisory Trading Limited were appointed as the Administrators by Inland Homes PLC which included the land at Carter's Quay. The Council was aware prior to that in July 2023 that Inland had appointed FRP to undertake an independent review of separate issues following the departure of members of the senior leadership team and their Board.
14. The pace of the Administrator is outside of the Council's control despite regular engagement by officers to progress the matter and reach a negotiated settlement.
15. External legal support from an experienced insolvency firm was obtained to guide the Council throughout the process. With their support the Council also sought Counsel advice in 2024. To protect the Council's position this advice is currently legally privileged as it has been obtained in contemplation of litigation but provides options to the Council in the event a negotiated settlement cannot be reached to secure the land.
16. The Council has retained the services of external insolvency legal advisor to support the negotiations and conclude this matter in a timely manner and to the benefit of the Council.

Summary of financial implications

17. The original financial implications of the development can be found in the paper presented to Cabinet on 1 September 2021 as well as the confidential appendix which has also been provided with this report.
18. To date the Council has paid £15.4m towards the Carters Quay development site. This expenditure was treated as a long-term debtor funded via borrowing, as the asset behind the original development only came into ownership of the council on completion. The estimated revenue implications of the debt are set out in the table below:

	22/23	23/24	24/25
	£'000	£'000	£'000

Minimum Revenue Provision	190	304	307
Interest	315	845	845
Total	505	1,149	1,152

19. Any settlement with the administrator to secure the land will be treated as capital expenditure funded via borrowing. Depending on the agreed amount will determine whether further ratification from Cabinet and or Full Council is required.

Summary of legal implications

20. In respect of the role and functions of the Audit and Governance Committee, the Committee must operate within its terms of reference as outlined within BCP Council Constitution.
21. The legal implications of the steps to be taken to resolve the current contractual situation will be dealt with within the report to Cabinet or Council at the appropriate time.

Summary of risk assessment

22. There are commercial risks associated with this matter and the mitigations, which are contained within the legally privileged advice.

Background papers

Carters Quay Housing and Regeneration scheme 21 September 2021 Cabinet report
[Welcome to BCP Council | BCP](#)

Overview and Scrutiny report (23 August 2021)

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=292&MID=4869#A17989>

Appendices

Appendix One – Chronological order of events

Appendix Two – Original Confidential Financial Report

Appendix One - Chronological order of events

<u>Timeline</u>	<u>Date</u>
Cabinet approval	1 September 2021
Council approval	14 September 2021
ODR signed	4 November 2021
BCP and IPL entered contract	4 November 2021
Works commenced on site	January 2022
Works ceased on site	February 2023
Official notices for Inland Homes & Inland Partnerships published in the London Gazette.	9 October 2023
Update on Carters Quay scheme to Overview and Scrutiny Committee	9 October 2023
Administrators verbal offer to release land	29 November 2023
Administrators confirm offer to release land	15 January 2024
BCP Council reject Administrators offer, with counteroffer	29 April 2024
BCP Council instructs external legal advisors for insolvency	November 2023 to date

Appendix 2 Confidential report to Cabinet report September 2021

[Carters Quay Build to Rent Opportunity Poole - Public Report.pdf](#)

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

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Risk Management - Corporate Risk Register Update
Meeting date	20 March 2025
Status	Public Report
Executive summary	<p>This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:</p> <ul style="list-style-type: none"> • All Corporate Risks were reviewed during the quarter. • CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding. The update on this risk references the fact that Children's Social Care has had an Ofsted full ILACS inspection and has been rated Good. • CR24 – We may fail to adequately address concerns around community safety and environmental impacts. The environmental impact elements of this risk have been separated. • CR27 – We may fail to adequately address concerns around environmental impacts. This is a new risk added during the quarter. <p>Material updates for this quarter are outlined in sections 10.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.</p>
Reason for recommendations	To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for Risk Management and enhance its governance framework.

Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Fiona Manton Risk & Insurance Manager ☎01202 127055 fiona.manton@bcpCouncil.gov.uk
Wards	Council-wide
Classification	For Update and Information

Background

1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that Risk Management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.
2. In accordance with the Financial Regulations and the Risk Management Policy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's Risk Management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.
3. In line with the decision-making framework in place for BCP Council it was agreed that effective from day one BCP Council would, as an interim measure, adopt the legacy Bournemouth Risk Management framework. The scoring matrix in this framework was adjusted to reflect the increased remit of the new authority.
4. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board (CMB) continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

5. Members will recall from the previous updates that the Corporate Risk Register was established at the commencement of BCP Council. It has been routinely reviewed on a quarterly basis.
6. In order to provide the committee with insight in terms of the approach to risk management, a summary of the process followed is shown at Appendix 1.
7. To assist in the understanding of prioritisation of risk, the council's risk matrix and definitions is shown at Appendix 2.
8. At Appendix 3 a dashboard is included with summarised information.
9. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the

committee a table of the full risks is shown at the beginning of Appendix 4. This is ranked according to the net risk score from the highest to the lowest.

Changes in Risk During Quarter 4 – 2024/2025

10. During the quarter, the risks have been reviewed and in addition to the updates to each risk, the material updates to the register are as follows:

CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding. The quarterly update references that Children’s Social Care has had an Ofsted full Inspecting Local Authority Children’s Services (ILACS) inspection and has been rated Good. Consideration was given to the current scoring for this quarter but as this risk includes both Children’s Social Care and the Special Educational Needs and Disabilities (SEND) service the position will be reviewed once an inspection of the SEND service has taken place.

CR24 – We may fail to adequately address concerns around community safety and environmental impacts. The environmental impact elements of this risk have been separated and included under a new risk CR27 as detailed below.

CR27 – We may fail to adequately address concerns around environmental impacts. This is a new risk added during the quarter. The initial focus of this risk relates to the issues around cliff instability and is updated accordingly. The content of this risk will continue to be reviewed and widened to consider further environmental impacts relating to the council’s activities or responsibilities.

11. Whilst it may be noted that many of the risk scores have not changed, this is not reflective of management action or inaction. Risks will continue to be influenced by a number of factors including national impacts and operational environment changes. During each quarter risk owners routinely review the allocated scores along with further discussion by CMB.
12. During this quarter in addition to the review of individual risks, the connectivity of risks continues to be considered in relation to the Corporate Risk Register. CMB will continue to be mindful of the accumulation of risk. New risk causes, such as inflation, may impact across several risks and in turn compound the overall risk position for the council in a negative way.
13. Full details of the updates for this quarter can be found in Appendix 4.

Dynamic Risk Review Process

14. Recognising the rapidly changing environment and the increasingly complex interaction between some of the corporate risks, a standard agenda item has been added to CMB to add a further layer to the risk review process.
15. This process allows for more dynamic consideration of the immediate responses required to some of the corporate risks, which will help the Corporate Risk Register to be considered, managed and communicated through the organisation.
16. The consideration of the risks in this way will also inform the regular quarterly reviews that continue to take place in a more timely manner, by flagging changes in risk profile ahead of the regular reviews with risk owners, which will continue to take place.

17. Discussions are in progress to incorporate Corporate Risks within a performance report that will routinely be presented to Cabinet. A further update on the position with this will be provided to this committee once the process for risk engagement with Cabinet is agreed.

Risk Management Process and Development

18. The process of developing a new Risk Management Policy for the council continues. The policy draws upon best practice as set out in standards such as the Orange Book, ISO 31000, CIPFA and ALARM (Association of Local Authority Risk Managers).
19. As part of the on-going development CMB reviewed the draft policy in January 2025 and looked particularly at the risk impact definitions and considering the position on the council's risk appetite and risk tolerance. This consideration is an on-going one with discussions continuing. It was agreed that a new set of definitions that identified risk appetite in each risk category would be produced but in the meantime, CMB would consider whether a risk appetite will be included in the new policy, or like some other local authorities, the position in the policy will not be prescriptive in this respect. This would reflect the dynamic nature of risk.
20. Whilst these discussions are on-going a copy of the current draft policy is included at Appendix 5 for information purposes. It is intended that the policy will be finalised during the next quarter and brought back to this committee for noting at this time.

Service Development

21. In addition to the reviews of corporate risks, the Risk Management team continues to be engaged in the refresh of director level risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic Risk Management environment and how the Risk Management team can support them in this to deliver a consistent and embedded approach to Risk Management throughout the council.
22. As part of the role of the team, continuous "horizon scanning" is undertaken to identify issues that may give rise to risk for the council. When matters are identified, these are raised with the relevant Corporate Director/Director for review and consideration of any necessary action. Examples during this quarter include:
 - Routinely reviewing the outcomes of partial assurance internal audit reports to raise risk issues with the relevant service risk champion to ensure, if appropriate, they are suitably reflected and captured in the service risk register.
 - Circulating information from a risk management perspective on various topics.
 - Sharing training opportunities on areas of risk.
23. During the quarter the new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
24. The suite of dashboards and reports have been identified and will now be considered by ICT in terms of the further development phase.

Summary of financial implications

25. Financial implications relevant to risks are detailed within the relevant risk registers.

Summary of legal implications

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

Summary of human resources implications

27. There are no direct human resources implications from this report.

Summary of sustainability impact

28. There are no direct sustainability implications from this report.

Summary of public health implications

29. There are no direct Public Health implications from this report.

Summary of equality implications

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

Summary of risk assessment

31. The risk management implications are set out within the content of this report.

Background papers

Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 27 January 2025.

Appendices

Appendix 1 - Summary of Risk Management Process

Appendix 2 - BCP Council's Risk Matrix and Definitions

Appendix 3 - Risk Dashboard

Appendix 4 - Full Risk Details Including Summary

Appendix 5 - Draft Risk Management Policy

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BCP Council - Risk Management

Identify Risks	Evaluate Risks	Treat Risks	Review Risks																																						
<p>Process to be integrated into council business as usual and considered by all business areas</p> <p>RISK is the effect of uncertainty on objectives. Risk is usually expressed in terms of causes, potential events, and their consequences.</p> <p>Risk management is the planned approach and should consider the following:</p> <ul style="list-style-type: none">Those which threaten the achievement of our objectivesThose which go against our valuesThose relating to the legal and regulatory frameworks we work withinThose relating to our own policy and internal control framework <p>Consider what could go wrong or what more could we achieve?</p>	<p>Combination of the impact and likelihood of an event and its consequences (Gross or Inherent risk)</p> <table border="1"><tr><th colspan="2"></th><th colspan="4">THREATS</th></tr><tr><th rowspan="5">Likelihood</th><td>Almost Certain (4) >90%</td><td>4</td><td>8</td><td>12</td><td>16</td></tr><tr><td>Likely (3) 60-90%</td><td>3</td><td>6</td><td>9</td><td>12</td></tr><tr><td>Could Happen (2) 20-60%</td><td>2</td><td>4</td><td>6</td><td>8</td></tr><tr><td>Unlikely /Rarely (1) 0-20%</td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td>Low (1)</td><td>Medium (2)</td><td>High (3)</td><td>Extreme (4)</td></tr><tr><th colspan="2"></th><th colspan="4">Impacts</th></tr></table> <p>Red – High Risks, immediate action</p> <p>Amber – Medium priority, review current controls</p> <p>Green – Low priority, limited action, continue to review</p>			THREATS				Likelihood	Almost Certain (4) >90%	4	8	12	16	Likely (3) 60-90%	3	6	9	12	Could Happen (2) 20-60%	2	4	6	8	Unlikely /Rarely (1) 0-20%	1	2	3	4		Low (1)	Medium (2)	High (3)	Extreme (4)			Impacts				<p>Consider each risk and ask:</p> <ul style="list-style-type: none">Can we reduce the likelihood?Can we reduce the impact? <p>Risk Responses:</p> <ul style="list-style-type: none">Terminate (stop the activity or remove a risk cause)Transfer (pass specific loss risk ownership to another party)Treat (contain the risk at an acceptable level by the application of controls)Tolerate (accept the risk) <p>Consider the risk score after the risk responses have been considered.</p> <p>The revised combination of impact and likelihood and its consequences post current mitigations (Net or Residual risk)</p> <p>Devise contingencies and action plans to reduce the mitigated risks to an acceptable level.</p>	<p>Risk Registers</p> <ul style="list-style-type: none">Record all identified risks, risk owners, risk evaluation, risk treatment and risk action plansRegular monitoring as part of business as usual <p>Council risk monitoring</p> <ul style="list-style-type: none">Risk registers reviewed in Directorates quarterlyChallenge process via Risk TeamRegular reporting to CMB <p>Council's Corporate Risks</p> <ul style="list-style-type: none">Regular review by CMBQuarterly review by Risk leadsQuarterly monitoring by Audit and Governance Committee
		THREATS																																							
Likelihood	Almost Certain (4) >90%	4	8	12	16																																				
	Likely (3) 60-90%	3	6	9	12																																				
	Could Happen (2) 20-60%	2	4	6	8																																				
	Unlikely /Rarely (1) 0-20%	1	2	3	4																																				
		Low (1)	Medium (2)	High (3)	Extreme (4)																																				
		Impacts																																							

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Risk Scoring Matrix and Impact and Likelihood Scoring Definitions

THREATS					
Likelihood	Almost Certain (4) >90%	4	8	12	16
	Likely (3) 60 - 90%	3	6	9	12
	Could Happen (2) 20 - 60%	2	4	6	8
	Unlikely/ Rarely (1) 0 - 20%	1	2	3	4
		Low (1)	Medium (2)	High (3)	Extreme (4)
	Impacts				

Please see below for an explanation of impact and likelihood scoring definitions.

Impact of Risk

Impact Scoring Guidance

Threat (Negative) Impacts Scores		
1	Low	<ul style="list-style-type: none"> a) Potential financial loss of less than £200k b) Minor injury c) Minor legal/regulatory consequence d) Minor impact outside single objective/local system e) Internal adverse publicity, minor reputational damage/ adverse publicity f) Minor service disruption g) Minimal service user complaints
2	Medium	<ul style="list-style-type: none"> a) Potential financial loss of between £200k and £999,999 b) More serious injury c) Significant legal/ regulatory consequence d) Significant impact on objective/s, processes or systems e) Significant localised reputational damage f) Significant service disruption g) Multiple service user complaints
3	High	<ul style="list-style-type: none"> a) Potential financial loss of between £1m and £1,999,999 b) Major disabling injury c) Substantial legal/ regulatory consequence d) Substantial impact on objective/s, processes or systems e) Prolonged adverse local and national media coverage f) Substantial service disruption g) A substantial number of service user complaints
4	Extreme	<ul style="list-style-type: none"> a) Potential financial loss of over £2m b) Fatality and/or multiple injuries c) Major legal/regulatory consequence d) Major impact on corporate level objective/s e) Major/severe reputational damage/ national adverse publicity f) Central government interest/ administration g) Loss of all critical services for a significant period of time

Likelihood of Risk

Likelihood Scoring Guidance

Threat (Negative) Likelihood Score		
1	Unlikely/ Rare	a) 0 - 20% chance of occurrence b) 1 in 20 year event c) May occur only in exceptional circumstances d) Has never or very rarely happened before
2	Could Happen	a) 20 - 60% chance of occurrence b) 1 in 10 year event c) Is unlikely to occur but could occur at some time/in some circumstances
3	Likely to Happen	a) 60 - 90% chance of occurrence b) 1 in 5 year event c) Will probably occur at some time/in most circumstances
4	Almost Certain	a) Over 90% chance of occurrence b) Occurs on an annual basis c) Is expected to occur in most circumstances

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Risk Ref	Risk Title	Risk Lead	Cabinet Member	Residual or Net Risk Scores				Direction of travel during Year
				Q01: 2024-25	Q02: 2024-25	Q03: 2024-25	Q04: 2024-25	
CR15	Risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	Director of People & Culture	Councillor Jeff Hanna	16	16	16	16	↔
CR27	Risk CR27 - We may fail to adequately address concerns around environmental impacts	Chief Operations Officer	Councillor Richard Herrett Councillor Andy Hadley	N/A	N/A	N/A	16	New
CR23	Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit	Chief Executive	Councillor Mike Cox	16	16	16	16	↔
CR02	Risk CR02 - We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	Corporate Director for Children's Services	Councillor Richard Burton	12	12	12	12	↔
CR04	Risk CR04 – We may suffer a loss or disruption to IT Systems and Networks from cyber attack	Director of IT and Programmes	Councillor Jeff Hanna	12	12	12	12	↔
CR09	Risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	Director of Finance	Councillor Mike Cox	12	12	12	12	↔
CR20	Risk CR20 – Potential of climate change to outstrip our capability to adapt	Director of Marketing, Comms & Policy	Councillor Andy Hadley	12	12	12	12	↔
CR18	Risk CR18 – We may fail to provide adequate customer interfaces	Director of Customer, Arts and Property	Councillor Andy Martin	9	9	9	9	↔
CR19	Risk CR19 – We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	Chief Operations Officer	Councillor Millie Earl	9	9	9	9	↔
CR26	Risk CR26 - Risks Associated with the availability of Generative Artificial Intelligence (GenAI)	Director of IT and Programmes	Councillor Jeff Hanna	N/A	9	9	9	↔
CR16	Risk CR16 – We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities	Director of Marketing, Comms & Policy	Councillor Millie Earl	6	6	6	6	↔
CR21	Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements	Corporate Director for Wellbeing	Councillor Kieron Wilson	6	6	6	6	↔
CR25	Risk CR25 – We may be unable to effectively transform services to achieve efficiencies and improve service standards	Corporate Management Board Collective	Councillor Jeff Hanna	4	4	4	4	↔
CR24	Risk CR24 – We may fail to adequately address concerns around community safety	Corporate Director for Wellbeing	Councillor Kieron Wilson Councillor Andy Hadley	4	4	4	2	↓

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Audit and Governance Committee – March 2025

Corporate Risk Register – Risk Table

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR15	We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	16	16	Sarah Deane, Director of People and Culture	Corporate Risk
CR27	We may fail to adequately address concerns around environmental impacts	16	16	Glynn Barton, Chief Operations Officer	Corporate Risk – new Q4 2024-25
CR23	Potential implications of the Dedicated Schools Grant financial deficit	16	8	Graham Farrant, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Adam Richens, Director of Finance)	Corporate Risk
CR02	We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	12	8	Cathi Hadley, Corporate Director for Children's Services	Corporate Risk
CR04	We may suffer a loss or disruption to IT Systems and Networks from cyber attack	12	9	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk
CR09	We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	12	8	Adam Richens, Director of Finance	Corporate Risk
CR20	Potential of climate change to outstrip our capability to adapt	12	8	Isla Reynolds, Director of Marketing, Comms & Policy	Corporate Risk
CR18	We may fail to provide adequate customer interfaces	9	2	Matti Raudsepp, Director of Customer and Property Operations	Corporate Risk
CR19	We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	9	6	Glynn Barton, Chief Operations Officer	Corporate Risk
CR26	Risks associated with the availability of Generative Artificial Intelligence (GenAI)	9	6	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR16	We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities	6	3	Isla Reynolds, Director of Marketing, Comms & Policy	Corporate Risk
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	6	3	Jillian Kay, Corporate Director for Wellbeing	Corporate Risk
CR25	We may be unable to effectively transform services to achieve efficiencies and improve service standards	4	4	Corporate Management Board Collective	Corporate Risk
CR24	We may fail to adequately address concerns around community safety	2	2	Jillian Kay, Corporate Director for Wellbeing	Corporate Risk
CR01	Failure to respond to the needs arising from a changing demography.	N/A	N/A	N/A	Risk removed Q4 2022
CR03	Failure to ensure adequate Information Governance – now Key Assurance – Information governance Board Risk	N/A	N/A	N/A	Risk removed Q2 2020
CR05	Failure to plan effectively for EU Transition	N/A	N/A	N/A	Risk Removed Q2 2020
CR06	Failure to adequately respond to an incident involving the activation of the emergency plan– now Key Assurance – Resilience Governance Board Risk	N/A	N/A	N/A	Risk Removed Q2 2020
CR07	Failure to provide adequate services as a result of an incident requiring a business continuity response– now Key Assurance – Resilience Governance Board	N/A	N/A	N/A	Risk Removed Q2 2020
CR10	Failure to deliver effective health and safety to protect staff, councillors including the public	N/A	N/A	N/A	Risk removed Q3 2020
CR11	Ability of the council to function and operate efficiently in the delivery of single services across the area of BCP	N/A	N/A	N/A	Risk removed Q1 2023

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR12	Failure to achieve appropriate outcomes and quality of service for young people	N/A	N/A	N/A	Risk removed Q4 2023
CR13	Failure to deliver the transformation programme	N/A	N/A	N/A	Risk removed Q4 2023
CR14	Continuity of Public Health arrangements for health protection	N/A	N/A	N/A	Risk removed Q3 2023
CR17	Risk to Reputation of Place & Council if summer arrangements are not managed	N/A	N/A	N/A	Risk Removed Q3 2022
CR22	Failure of local care market to meet increasing demand	N/A	N/A	N/A	Risk removed Q4 2023




AUDIT AND GOVERNANCE COMMITTEE

March 2025

CORPORATE RISK REGISTER UPDATE Q4 – 2024/25

1.1 Mitigation actions and significant changes this quarter are detailed below.

1.2 The table below is a key to arrow directions in relation to individual risk scoring.

RISK DIRECTION OF TRAVEL STATUS	
	Risk impact or likelihood has <u>increased</u> since last review.
	Risk impact or likelihood has <u>decreased</u> since last review.
	There is <u>no change</u> to the risk impact or likelihood

Risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support

Risk Owner – Sarah Deane, Director of People and Culture

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

Developing a passionate, proud, valued and diverse workforce

Risk Information

A new People Strategy was launched in December 2023 which covers the period from 2024 to 2027. The People Strategy is closely aligned to the corporate vision and ambitions, and the transformation agenda. There are twelve key workstreams in the People Strategy together with a three-year detailed implementation plan. BCP Council needs to have the right staff, at the right time, in the right roles to deliver front line and corporate services effectively and efficiently.

Key outcomes:

- single pay structure and terms and conditions to ensure fair and equal pay
- high performance culture
- improved workforce planning
- improved talent attraction and retention
- improved wellbeing and absence rates
- improved leadership development
- full automation of HR systems to support efficiencies and new ways of working.

Risk Causes (definite situational facts affecting our objective) (please list):

The outcome of the third Pay and Reward ballot has resulted in an acceptance of the proposals from UNISON and rejection by GMB. BCP Council has reviewed options including dismissal and re-engagement to try and establish routes to reach implementation. Cabinet have agreed for the Council to issue s188 as the initial stages of consultation with the trade unions prior to a process of dismissal and re-engagement being followed. This situation presents an immediate risk in the form of the likelihood of an industrial action ballot from both trade unions. Should the workforce agree to strike action this could disrupt service delivery but the option to pursue dismissal and re-engagement in itself is likely to create concern and uncertainty from our workforce which may increase turnover, affect our ability to attract / recruit new talent and impact negatively on employee engagement and wellbeing. Any future resolution of this issue will be complex and require significant resource from People and Culture which will potentially result in re-prioritisation in delivery of BCP Council's People Strategy.

As well as the Pay and Reward impact, there remains a national shortage of skills which means that there are still significant recruitment difficulties in some areas of the council. The council relies heavily on agency workers to fill hard to recruit business critical roles, particularly in frontline services, which affects our ability to serve residents effectively. Currently, we have 311 active agency assignments covering some vacancies, with a spend of £5.2 million in the last quarter.

Although funding for phase 2 of the Talent Acquisition Team has not been approved, we are still working on key priorities like refreshing our careers site and developing our Employer Value Proposition. However, further development of our Talent Acquisition efforts will be delayed due to limited capacity for proactively searching for passive candidates with niche skills, which is crucial for increasing direct hires and reducing agency costs.

We have secured transformation funding to obtain recruiter licenses for proactive research, but this is only available for the next year. We hope to demonstrate a strong return on investment with the limited resources available, which may support any future growth bids and help reduce the council's overall operating cost.

Risk Impacts (contingent effect on objective) (please list):

The delivery of services will be affected during the process of dismissal and re-engagement if that eventuality occurs and emerging legislation from the new Labour government will increase the complexity further.

In addition, the following may arise from the process of dismissal and re-engagement:

- claims of unfair dismissal and constructive dismissal
- claims for breach of contract
- claims for unlawful deductions from wages
- claims for inducement
- claims for protective awards
- industrial action
- the raising of internal disputes.



There is a significant amount of uncertainty due to the delay in Pay and Reward which will continue to destabilise the workforce for a period of time. During this time there will be an increased risk around industrial action; grievances; absence levels; higher turnover with resultant increase in recruitment costs; low morale and employee engagement, together with a negative impact on employees' wellbeing and financial situations. This will mean that some service delivery may be affected.

There is reduced capacity in People and Culture as our recent growth bid has not been successful and this therefore reduces the ability to support People Strategy work programmes which align to the key corporate ambitions and values of BCP Council. The Talent Acquisition Team will be significantly impacted as there is limited resource to develop our ability to search for and attract permanent staff for our hard to fill vacancies and we will not be able to achieve better value for money by reducing our dependency on high-cost agency staff.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Resource, Legal, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- The gross risk score remains the same due to the Pay and Reward ballot outcome and the corporate leadership team will need to review options and next steps to mitigate and reduce organisational risk
- There will be ongoing discussions and consultation with the trade unions with a view to fully exhausting all possible options to reach agreement
- Additional workshops have also been put in place to hear directly from those groups who have rejected the GMB ballots to ensure the issues are fully understood and are considered in the realms of working to find a way forward
- Whilst the growth bid submitted for consideration to resource the full Talent Acquisition operating model has been rejected due to the financial landscape of the council, the Talent Acquisition Team continue to deliver some of our Talent Acquisition ambitions
- Services continue to work with People and Culture to undertake risk assessment of retention issues in relation to Pay and Reward and look to put mitigation options in place
- Manager / colleague briefings continue to run to inform colleagues and managers of the Pay

and Reward outcome process. Change and wellbeing training sessions have been delivered together with signposting to relevant toolkits and means of support.



Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	✓
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	✓

- Corporate Management team need to consider next steps following the Pay and Reward ballot outcome to mitigate organisational risk
- Services working with People and Culture are undertaking risk assessment of retention issues in relation to Pay and Reward
- Some key decisions will be made by the trade unions and are therefore outside of our control but mitigations are being considered at every stage to minimize impacts to the organisation
- At this particular time, it is appropriate to leave the risk at this level.

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Implementation of Pay and Reward	TBC
Action 2:	People Strategy Implementation Plan	2027
Action 3:		
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	4	16		

Quarter Update

Further detailed analysis of particular occupational groups rejecting the GMB ballot has been undertaken and site visits have been made by the Chief Executive, Chief Operations Officer and Director of People and Culture to better understand concerns and issues.

Ongoing collective bargaining is taking place to ensure and maintain good working relationships with both trade unions. All possible avenues to try and reach agreement continue to be explored.

The Talent Acquisition Team are operating to make improvement with the resource available however it is regrettable that progress will be slower than originally anticipated due to a lack of resource within the team.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	
Target Score	↔	

Risk CR27 – We may fail to adequately address concerns around environmental impacts**Risk Owner** – Glynn Barton, Chief Operations Officer**Cabinet Member** ([BCP Council – Democracy](#)) – Councillor Richard Herrett, Cabinet Member for Destination, Leisure and Commercial Operations, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy**Links to Corporate Objective(s):**

- Our communities have pride in our streets, neighbourhoods and public spaces
- Climate change is tackled through sustainable policies and practice
- Using data, insights and feedback to shape services and solutions

Risk Information

This risk has been created to capture emerging risks in relation to environmental impacts. The first risk to be included under this group is that of cliff instability and the risk will primarily reflect this initially. The risk will continue to develop to include further areas over the next several months.

Risk Causes (definite situational facts affecting our objective) (please list):

In respect of cliff stability, the cause is linked to natural elements of cliff movement as well as groundwater penetrating the cliff face, increased risk is through lack of maintenance of existing specialist drainage infrastructure over the last couple of decades.

No budgeted funding to look after existing cliff drainage infrastructure and undertake remedial works required.


Risk Impacts (contingent effect on objective) (please list):

Failure of Seafront assets such as retaining walls and access pathways.
Risk of damage to property and inability to operate services – both have an asset and financial risk.
Potential for larger failures such as the East Cliff Lift slip in 2016, also posing risk to life.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Environmental, Physical, Economic, Political, Social, Technological, Legislative, Customer, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		New

Mitigations in Place & Completed Actions


Cliff Management Strategy (CMS) being developed by Flood and Coastal Erosion Risk Management Team (FCERM) to inform Seafront as to engineering investment needs. Specialist Geotechnical Engineer employed to lead on strategy delivery and future technical advice. Cliff Management Working Group set up to table and discuss ongoing risks and actions.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place


Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		New

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2025
List All Significant Actions Below:		
Action 1:	CMS risk register to be developed	tbc
Action 2:	CMS to demonstrate funding needs for immediate priority issues and future likely needs	tbc
Action 3:	Maintenance regime to be developed, funded and actioned	tbc
Action 4:	Monitoring of cliffs via visual inspection as well as GPS and drone technology, in line with CMS recommendations	tbc
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	4	16		New

Quarter Update

As part of the progression of the above identified actions a presentation was taken to Corporate Management Board in early March 2025 to provide background and information on the works required as well as the operational impact of the current position.

A number of immediate works have been identified and are being prioritised as part of the risk based approach to mitigate and address identified issues relating to cliff stability as well as preparing a short to long term profile of spend required to respond to cliff related mitigations and management.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.



Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	N/A	New Risk
Net Score	N/A	New Risk
Target Score	N/A	New Risk

Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit
Risk Owner – Graham Farrant, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Adam Richens, Director of Finance)
Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance
<u>Links to Corporate Objective(s):</u> Using our resources sustainably to support our ambitions
Risk Information <p>The council is forecasting revenue spending of £122m on Special Educational Needs and Disability (SEND) services in 2025/26. This is £55.7m more than the £64.5m revenue grant provided by the Department for Education (DfE) as part of the Dedicated Schools Grant (DSG), High Needs Block allocation.</p> <p>In 2024/25 the council is forecasting to spend £106.6m on SEND revenue expenditure, which is £44.6m more than the £62m DSG grant allocation.</p> <p>This annual discrepancy creates an accumulating deficit which is forecast to be £108m on the 31 March 2024 and £165.5m on the 31 March 2026.</p> <p>Government have put in place a Statutory Instrument (SI) which states the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist within the council's accounts or balance sheet. This statutory instrument expires on the 31 March 2026.</p> <p>2025/26 is a watershed moment, it is the first time the council will start a financial year with an accumulated deficit on its DSG in excess of the total amount of its reserves and balances. In other words, it is the first time the council will start the year in a technically insolvent position. The total reserves and balances of the council are forecast to be £62m as of 31 March 2025 and £51.5m on 31 March 2026.</p> <p>In setting the budget for 2025/26 the council also had to address the fact that it had run out of headroom to be able to cashflow the accumulating DSG Deficit. Options explored included the possibility of the council entering the government Exceptional Financial Support (EFS) programme and seeking a capitalisation direction which would be a formal permission to borrow to fund the £57.5m deficit for 2025/26. This approach could have led to government intervention, for example a further Best Value Notice. Eventually, the government recommended that we temporarily borrow the £57.5m as part of our Treasury Management activity. This is on the basis that councils can exceed their agreed borrowing limits provided it is seen as just being temporary and is associated with the ebb and flow of treasury management activity. The government advocated this approach on the basis that they have committed to putting forward in 2025 a plan to return the national SEND system to financial sustainability.</p> <p>The risks posed by this annual imbalance between revenue expenditure and government funding for the SEND service presents an existential threat to the financial viability and sustainability of the council and one which government must address in 2025.</p>
Risk Causes (definite situational facts affecting our objective) (please list): Insufficient grant funding is provided to the council by the government with insufficient recognition of growing demand and high costs of provision.
Risk Impacts (contingent effect on objective) (please list): Financial sustainability of the council, including insufficient cash flow to meet normal service expenditure with further risk of illegality from the need to borrow to meet revenue expenditure to maintain appropriate levels of statutory services.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- **Economic** – inability to meet financial commitments
- **Legal** - breach of regulations that prohibit borrowing for revenue expenditure
- **Resources** – impact on other areas of the council (capital and revenue) as expenditure is limited to preserve cashflow.
- **Reputation** – lack of confidence in the ability of the council to manage its financial affairs as indicated by the issue of a S114 notice (effective bankruptcy).

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Cabinet Report: December 2024: Assessing the serious cashflow issue caused by ever-increasing demand and cost outstripping High Needs Dedicated Schools Grant government funding. Set out not just the background and context to the issue but all the activity including that of the Chief Executive, Director of Finance, Leader and Local MPs in trying to draw attention to and resolve the issue.

Council Report: February 2025: Set out the conclusion and approach to be taken in drawing the 2025/26 Budget. This included the acknowledgement of both the External Auditor and CIPFA that temporary borrowing via Treasury Management powers was a pragmatic but not sustainable outcome.



14 February 2025: CIPFA published paper: Reforming SEND finance: meeting need in a sustainable system.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	Not possible to eliminate the funding gap through reduced expenditure as there are statutory requirements. Strategy is to secure additional DSG grant.
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Not possible - the solution must be additional funding or a completely redesigned system.
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	The service are implementing a management plan to build and address sufficiency as appropriate.
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases, the most appropriate response may be to tolerate or accept the risk.	No – it cannot be tolerated, and government have to deliver a solution.

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Monitor activity and statements delivered by the government as part of the three-year spending review	Spring 2025
Action 2:		
Action 3:		
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place




Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

As per updated risk information section.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR02 - We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding

Risk Owner – Cathi Hadley, Corporate Director for Children's Services

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Richard Burton, Cabinet Member for Children, Young People, Education and Skills

Links to Corporate Objective(s):

- High quality of life for all, where people can be active, healthy and independent
- Working together, everyone feels safe and secure
- Those who need support receive it when and where they need it
- Skills are continually developed, and people can access lifelong learning
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Providing accessible and inclusive services, showing care in our approach

Risk Information

Corporate Context

Safeguarding is the responsibility of all councillors and corporate officers, and this is reflected in the Corporate Safeguarding Strategy which was agreed by Cabinet in September 2019.

BCP Council had a Special Educational Needs and Disabilities (SEND) inspection in June 2021 which identified significant gaps in services which are being addressed through a SEND Improvement Plan and a Department for Education (DfE) Statutory Notice. A review by the DfE and NHS England (NHSE) in July 2023 concluded that not enough progress was being made and a Statutory Direction from the Secretary of State has been issued to BCP Council.

BCP Council had an Ofsted ILACS (inspecting local authority children's services) inspection in December 2021 and was rated inadequate. Detailed improvement plans have been put in place since that judgement, and there have been 6 monitoring visits and a DfE review which have confirmed that there is progress being made. BCP Council is now waiting for a full ILAC inspection.

Partnerships

BCP Council must ensure that it is working with all partners in the most effective way to identify, assess and respond to safeguarding issues, and those which cut across children's, adults' and community safety. BCP Council does this through various boards: the Pan Dorset Safeguarding Partnership, BCP Children's Safeguarding Board and Community Safety Partnership being examples.

Communities

Key consideration for the Communities directorate in discharging the range of duties provided across a range of services, community safety and domestic abuse.

Children's Services

There is an increase in demand for services and in the complexity of need in children and young people presenting to Children's Services across Children's Social Care and Education and Skills. This is placing demand on resources and budgets. For example, there is an increase in the number of children with complex needs placed in residential care which creates additional pressure on the Children's Service's budget; providers also increase their costs and there is an increase in Education, Health and Care Assessments.

There is a shortage of Children's Services social workers nationally, which means that there is a reliance on agency staff which puts pressure on budgets and can affect the continuity and consistency of service to our children and young people. Whilst there has been significant progress in stabilising the workforce the Pay and Reward programme may have an impact on this going forward.

Risk Causes (definite situational facts affecting our objective) (please list):

- Lack of collaboration with partners
- Shortage of staff and staff capacity
- Insufficient specialist local and national placements from both in-house and external provision which also drives up the cost of placements
- Failure to deliver safe service to children and families as per the findings of the Ofsted ILAC inspection December 2021 and the Care Quality Commission/Ofsted SEND Inspection July 2021
- Poor identification and management of risk across the service and partnership.



Risk Impacts (contingent effect on objective) (please list):

- Victims, death or serious injury
- Children and Young People being placed further away from networks
- Delays in finding suitable homes
- Poor performance assessment
- Poor staff morale and further retention issues
- Litigation costs and failure to meet legislative requirements
- Council wide economic impact with more children being placed out of borough and additional budget pressure
- Adverse media coverage - damaged reputation/public image.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Customer, physical, legislative, resource, social, contractual, political, reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions**Children's Directorate**

- Focus on the Children's Services improvement journey and SEND improvement journey to ensure core services are safe for vulnerable children and young people
- The strongest mitigation is to have the capacity and resources to meet the rising demand of need across the services and to have the assurance of the quality of practice through new quality assurance frameworks and governance processes
- Robust governance is in place to ensure that improvement continues at pace in both Children's Social Care and SEND
- There is a Children's Services Improvement Board which is chaired by a DfE Advisor and the Board holds services, council and partners accountable for the delivery of improvements as identified in the improvement plan
- There is a SEND Improvement Board which is chaired by a DfE Advisor and the Board holds service, council and partners accountable for the delivery of improvements identified in the improvement plan
- There is an Education Improvement Board in development which is chaired by the Director of Children's Services and the Board holds service, council and partners accountable for the delivery of the improvement plan



- DfE Advisor and Improvement Officers have been assigned by the DfE to oversee and support the improvement of services as identified in the Statutory Notices to Improve by the Secretary of State (Children's Social Care and SEND)
- BCP Council Children's Services has had 6 Monitoring Visits by Ofsted all reporting improvements in service delivery and the DfE Advisor reports cautious optimism on the improvements in the service
- Education Services are subject to termly Ofsted Monitoring meetings which oversee improvement and hold the service accountable for meeting statutory standards
- Sector Led Improvement Partner carries out Assurance Auditing as an independent review to assure the service and DfE of the quality of practice. They report improvements
- A Quality Assurance Framework has been embedded into Children's Social Care practice giving the assurance that improvements are being made. Practice Learning Reviews (audits) now evidence practice consistently at 'requires improvement' with an increasing number of 'good' demonstrated. Governance processes introduced in 2022 continue to review practice and give increasing assurance that children are safeguarded. Ofsted in their Monitoring visit 6 stated that they considered children to now be safe in the BCP Council area
- Scheme of Delegation reviewed and updated for Children's Services
- Monthly budget management meetings between finance and budget holders
- Financial accountability is held at Senior Leadership Team and Building Stronger Foundations (BSF) Board through reporting by the Finance Manager.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Deliver on the Children's Services Improvement Plan <ul style="list-style-type: none"> Raise the quality of practice to improve the experiences and progress of children who need help and protection Raise the quality of practice to improve the experiences and progress of children in care and care leavers. 	April 2025
Action 2:	Deliver on the SEND Improvement Plan (8 areas for improvement)	June 2025
Action 3:	Deliver on the Education Improvement plan	June 2025
Action 4:	Create an environment where BCP children and young people are understood to be everyone's responsibility in BCP and all BCP and partner services own this and take accountability	April 2025
Action 5:	Ensure the BCP model of Corporate Support services and systems is fully conducive to the children's improvement journey	April 2025
Action 6:	Sufficient suitable accommodation available for our Care Experienced young people and placement choice of good quality locally for children in care	June 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

Children's social care has had the Ofsted full ILACS inspection and has been rated Good. This is a significant reassurance that the service is providing good outcomes and services to children and families across Bournemouth, Christchurch and Poole. This outcome also reassures that children's services are providing good safeguarding activities. Ofsted stated in the report:




'Children in BCP receive good help and protection when it is needed, with significant improvements in social work practice since the last inspection. Children benefit from timely, coordinated support that improves their lives'.

There is however more work to do to support Education particularly in the SEND area. Work and a restructure has been undertaken to meet the demands and capacity of the service to deliver to children and families. There is evidence that this has been successful. We continue to await our SEND Ofsted and Care Quality Commission inspection to review the performance.

Consideration was given to the current scoring for this quarter but as this risk includes both Children's Social Care and the SEND service the position will be reviewed once an inspection of the SEND service has taken place.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR04 – We may suffer a loss or disruption to IT Systems and Networks from cyber attack
Risk Owner – Sarah Chamberlain, Director of IT and Programmes
Cabinet Member (BCP Council – Democracy) – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance
<u>Links to Corporate Objective(s):</u> Working together everyone feels safe and secure
Risk Information BCP Council relies heavily on digital technology and online capability, including in the delivery of essential and public-facing services. The COVID-19 pandemic emphasised BCP Council’s reliance on digital technologies, both through personal communication and through the council’s ability to work remotely in support of the local and national response. Disruption can come in many forms (some described below), both deliberate through acts of cyber-crime, or accidental through loss of hardware or infrastructure. Both can cause immense disruption to the council by denying staff and public access to key services. Even traditional face-to-face services can be impacted by a loss of IT systems as many back-office functions rely entirely on the availability of computers and data. Nationally, the threat of cyber-attacks remains high on the UK.GOV National Risk Register, featuring prominently across the register with the potential for disruption to national infrastructure, finance, telecommunications, transport and social care systems. Cyber is ranked the number one surveyed risk by the Business Continuity Institute in 2024 and again moving into 2025. While there are huge opportunities and benefits for the council by continuing to actively leverage technology in support of the transformation agenda, our vulnerabilities become greater as we increasingly rely on cyberspace.
Risk Causes (definite situational facts affecting our objective) (please list): Some of the highest risk causes include: Phishing attacks: These attacks use social engineering tactics to trick individuals into revealing sensitive information, clicking on malicious links or trying to defraud the council of money. These often lead to further breaches by allowing the attacker to gain access to the council’s systems and data. Ransomware attacks: These attacks involve encrypting the council’s data and demanding payment in exchange for the decryption key. Insider threats: These threats can come from employees, contractors, or other individuals with access to the council’s systems and data. Supply chain attacks: These attacks target third-party vendors or suppliers to gain access to the council’s systems and data.
Risk Impacts (contingent effect on objective) (please list): A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services like Social Care, Housing or Place (Highways etc.) are impacted.



Financial loss is the most common impact through both direct loss of funds as well as recovery costs, reputational impacts or Information Commissioner's Office fines.

Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

IT and Programmes have in place robust mitigations to assist in the management of this risk, however this is still considered a “when, not if” event and the risk will never be totally mitigated. Continued focus on end-user training as it is ALL staff and councillors who provide the best and last line of defence against cyber attacks. IT Security Course Completion Rates continue to show an upward trend in most areas of the Council.

IT Security Course completion is now actively tracked by managers as part of annual performance reviews, under our new framework, and as such we are expecting to see this upward trend to continue.



Pending agreement by Cabinet on 11 February 2025, a growth bid has been submitted for the creation of a third IT Security Officer position that will provide much needed capacity and resilience to the team.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the ‘whole’ risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Partial
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Yes

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		Ongoing
List All Significant Actions Below:		
Action 1:	<p>Training and increase user awareness of risks:</p> <p>ITSEC teams continue to deploy monthly cyber awareness training to all staff digitally.</p> <p>As of February 2025, overall completion rates for all officers and councillors stands at 78%.</p>	Ongoing
Action 2:	<p>Increased cyber detection and response tooling:</p> <p>Annually, IT and Programmes undertake an exercise to bid for capital or additional revenue funding to improve or maintain its IT infrastructure and cyber security posture.</p>	Ongoing

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	3	9		

Quarter Update

Over the past few months, we have encountered several cyber threats that have tested our IT systems and networks.

The council will continue to work with partners to limit our vulnerability to such threats.

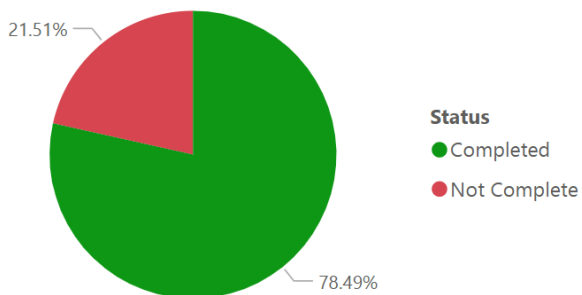
Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

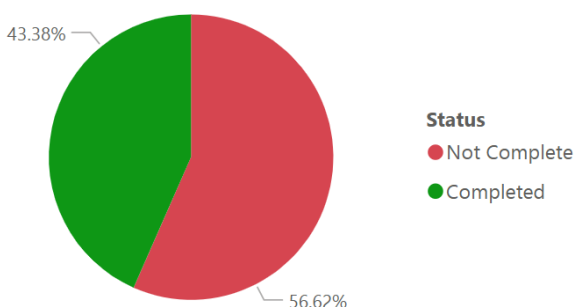
Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↑ (Likelihood+)	The general trend in targeted attacks means the risk requires continuing close monitoring.
Target Score	↔	

February 2025 IT Security Course Completion Rates:

Completion rates across all IT Security Online courses, for officers:





Completion rates across all IT Security Online courses, for councillors:



Risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP
Risk Owner – Adam Richens, Director of Finance
Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance
<u>Links to Corporate Objective(s):</u> Using our resources sustainably to support our ambitions
Risk Information The council has a legal responsibility to ensure it can balance its budget. As part of this framework, it is not permitted to have negative reserves. Council approved its 2024/25 Budget at Council on 20 February 2024, based on the following main aspects: <ul style="list-style-type: none"> • 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities • £38m of savings, efficiencies, increases to fees and charges, and service reductions of which £13.5m is in relation to transformation • Provision of £7.5m in extra resources to cover demand and inflationary pressures, including any pay changes, in the council's highest priority area, Children's Services • Provision of £15.2m in extra resources to cover demand and inflationary pressures, including any pay changes, to the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services • Elimination of the £30m structural deficit/funding gap created by using £30m of reserves to balance the 2023/24 budget. Council approved its 2025/26 Budget at Council on 11 February 2025, based on the following main aspects. <ul style="list-style-type: none"> • 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities • £7.8m of savings, efficiencies, increases to fees and charges, and service reductions of which £1.7m is in relation to transformation • Provision of £6.5m in extra resources to cover demand and inflationary pressures in the council's highest priority area, Children's Services • Provision of £14.4m in extra resources to cover demand and inflationary pressures in the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services • Temporary borrowing of £57.5m to finance the difference in 2025/26 between the £122m revenue expenditure on Special Educational Needs and Disability (SEND) services and the £64.5m Department for Education (DfE) grant allocation as part of the Dedicated Schools Grant (DSG) High Needs Block allocation. Council on the 11 February 2025 were also presented with a balanced Medium Term Financial Plan (MTFP) covering the period 2026/27 and 2027/28. Notably there is a £4.9m funding gap in 2026/27 which is then recovered in 2027/28.
Risk Causes (definite situational facts affecting our objective) (please list): <ul style="list-style-type: none"> • Expenditure of the authority is higher than all available sources of income.
Risk Impacts (contingent effect on objective) (please list): <ul style="list-style-type: none"> • S151 Officer would be required to issue a formal s114 report.
Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best: <ul style="list-style-type: none"> • Customer/Citizen, Economic, Political, Reputational

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions



- Quarterly budget monitoring reports to Cabinet including progress against budget savings
- Microsoft Dynamics Enterprise Resources System implemented in April 2023 to improve the provision of financial management information underpinned by the principle of self-service. Therefore, real time budget monitoring information made available to budget holders
- Regular meetings between portfolio holders and senior officers in respect of the financial strategy and the budget position
- Council (February 2024): the implementation of a freeze on all non-essential expenditure which will for 2024/25 only help ensure a financial outturn within the parameters of the agreed budget.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Cabinet report: Financial Outturn report 2024/25	July 2025
Action 2:	Cabinet report: MTFP Update report	July 2025
Action 3	Cabinet report: Quarter 1 Budget Monitoring 2025/26	Sept 2025
Action 4	Cabinet report: MTFP Update report	Oct 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter update

Quarterly Budget Monitoring reports have been presented to Cabinet in September and December 2024.

The Quarter 3 - December 2024 projection for the current 2024/25 financial year is that the council will manage its budget within the parameters of the February 2024 Council approved resources for the year. This estimate is an improvement from the quarter 2 forecast £2.964m overspend and reflects a combination of the continuation of the application of strict controls over expenditure and budget holders applying mitigation strategies to reduce or manage previously identified service pressures.




At this stage the balanced forecast has been achieved without drawing down the entire £7.9m of corporate contingencies set aside as part of the original budget to manage risks including that associated with the delivery of £38m of assumed savings. The residual £0.9m not being applied at this time will help address any volatility in a number of estimates including those associated with contributions towards social care costs, inclusive of those from the NHS and other local authorities.

As a matter of principle, should any surplus resources be available at year end then consideration with be given, as recognised in the Treasury Management Strategy, to the voluntary repayment of debt bearing in mind the budget for the year adopted a different strategy to debt repayment from that previously applied.

As set out in risk CR23, Council agreed to borrow £57.5m in 2025/26 to cashflow the difference between the £122m it is forecasting to spend on SEND services and the £64.5m revenue grant provided by the DfE as part of the DSG, High Needs Block allocation. This is a short-term arrangement on the basis that the government have committed to putting forward in 2025 a plan to return the national SEND system to financial sustainability.



Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR20 – Potential of climate change to outstrip our capability to adapt
Risk Owner – Isla Reynolds, Director of Marketing, Comms & Policy
Cabinet Member (BCP Council – Democracy) – Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy
<u>Links to Corporate Objective(s):</u> <ul style="list-style-type: none"> Climate change is tackled through sustainable policies and practice Using data, insights and feedback to shape services and solutions
Risk Information <p>The International Panel on Climate Change's 5th report has robustly concluded that climate change is unequivocally real and caused by human activity such as the burning of fossil fuels and destruction of habitats releasing greenhouse gases in unprecedented levels and limiting the earth's ability to reabsorb them.</p> <p>The UK Government has committed to achieving 'net zero' greenhouse gas emissions by 2050, and a challenge of this scale will require transformative change to the UK economy. BCP Council has declared a climate and ecological emergency committing the council and region to decarbonising the economy and society by 2030 and 2045 respectively (the latter having been agreed by Cabinet on 6 March 2024).</p> <p>There are a number of departments across BCP Council that are central to the response to climate change. However, the all-encompassing nature of achieving net zero means that all council bodies, including departments and arms-length bodies, have a role to play. In order to be more resilient to the threat posed by climate change, in addition to meeting the challenges of achieving net zero, it is vital that all of BCP Council and its organisations effectively manage climate change risks.</p> <p>Climate change risks should not be considered in isolation and should be clearly integrated into the strategy of an organisation. It is vital for organisations to recognise that the potential impacts of climate change are not only to do with the physical effects on people and the environment, but also to do with the effects of the transition to a changing climate and the adaptation and mitigation work involved. Similarly, the impacts of climate change should not only be considered as long-term risks.</p>
Risk Causes (definite situational facts affecting our objective) (please list): Floods, sea level rise and coastal change, changes in temperature and rainfall.
Risk Impacts (contingent effect on objective) (please list): Floods will have a significant impact on infrastructure causing damage to buildings and wide-scale disruption to service delivery; sea level rise and coastal change will pose risks to certain communities and organisations; and changes in temperature and rainfall will place additional pressures on infrastructure. Physical risks can also lead to indirect economic and social impacts through supply chain disruptions, subsequent impacts from infrastructure damage (for example, lack of transport, communication, manufacturing) or market shifts (such as increases in insurance premiums, changes in the need for government support, consumer attitudinal and expectation changes).
Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best: Citizen, Social, Environmental, Economic, Physical, Resource, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Physical risks mitigations in place:

The most immediate risk to the BCP area comes from Flooding and Coastal Erosion. As a result, most of the council's adaptation resources have been dedicated to addressing these. The Climate Annual Progress Update to Cabinet on 6 March 2024 outlined activity as follows:



The Flooding and Coastal Erosion Risk Management (FCERM) team have been involved in joint authoring of the draft BCP Local Plan policies relating to flood risk, coastal change risk and Sustainable Urban Drainage to support BCP's development agenda for the next 15 years. A Strategic Flood Risk Assessment (SFRA) is also in preparation to support the Local Plan, which includes a new assessment for Bournemouth, Christchurch and Poole's open coast to establish the risk from wave action. A new Christchurch Bay and Harbour FCERM Strategy is in preparation for managing flood and coastal erosion risks for the next 100 years in a sustainable way from Hengistbury Head to Hurst Spit, as is a new integrated cliff management strategy for all of the Bournemouth, Christchurch and Poole area sea cliffs and chines. The team is also preparing a new beach management plan that will draw together historic information on how beaches between Sandbanks and Hengistbury Head have been managed, to create a single reference for how the beach is managed to ensure it provides its vital coast protection function.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place and flooding and coastal erosion management measures in place as described above.



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Appointment to new post to begin work on an Adaptation Strategy (will be resolved when Directorate restructuring is completed and included in the 3 new posts created – see below)	Jan 2025
Action 2:	Increasing capacity within the Climate team, 3 x new sustainability officers to be recruited – advertised and applications received	Jan 2025
Action 3:	2 x Sustainability Officers appointed	Feb 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Commitment.

Quarter Update

Two Sustainability Officers appointed, start date 24 February 2025.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	Team capacity remained the same during the last quarter.
Net Score	↔	
Target Score	↔	

Risk CR18 – We may fail to provide adequate customer interfaces

Risk Owner – Matti Raudsepp, Director of Customer and Property Operations

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Andy Martin, Cabinet Member for Customer, Communications and Culture

Links to Corporate Objective(s):

Providing accessible and inclusive services, showing care in our approach

Risk Information

While full-scale transformation of the council is underway, there is a risk that our current customer service capabilities, capacity, systems and processes fail to provide the level of responsiveness that our communities and residents expect. This risk is specifically focused on the short-term capabilities of the council.

Full baselining and data monitoring of the corporate Customer Contact Centre is now possible with the significant upgrade to the council's legacy telephony arrangements having been undertaken during the Covid pandemic. Data is now available across all telephone contact lines within the corporate Customer Contact Centre, but there remains much less robust data in respect of the lines that continue to be managed within services. This reflects the current fragmented customer contact picture, which the transformation process is designed to simplify through the introduction of new customer contact technology and the consolidation of customer contact staff (as far as practicably possible) into a single council front door.

Risk Causes (definite situational facts affecting our objective) (please list):

- The end-to-end customer journey is affected by a range of factors, both within the Contact Centre and also within services. Delays in redesigning any aspect of the journey can impact the customer experience
- The availability of new digital functionality may arise incrementally which means that in the short term the management of customer contact can become more, not less, complicated, potentially impacting the customer experience.



Risk Impacts (contingent effect on objective) (please list):

- Call answering performance that does not meet customer expectations. Customer contact subject to ongoing handoffs to services, which may complicate and extend the process and increases the risk of failure and customer dissatisfaction
- Customers in need of important support fail to receive a timely response to address their needs.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- Customer/Citizen
- Technological
- Political

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	3	12		

Mitigations in Place & Completed Actions



- Temporary funding for 2022/23 ended in March 2023 which resulted in a reduction of approximately 20 staff who had been used to improve call response performance. Call response times have fallen back as a consequence
- Call handling performance data is available to monitor performance on a line-by-line basis, which can support the allocation of available staff resources. The implementation of the council's Target Operating Model along with streamlined technology and processes is anticipated to mitigate the loss of temporary funding, but it is anticipated that there will be pressure on capacity in the interim
- New BCP Council website successfully launched, replacing legacy sites, allowing for further development based on a single platform
- Web pages under review and being rewritten to ensure clarity, and as a basis to support development of further online digital functions
- New Contact Centre telephony system successfully implemented in December 2023
- New Customer Relationship Management (CRM) system now in place with legacy digital functionality being updated within new system. This creates additional opportunities for improving existing and new online services.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Implementation of improved corporate telephony solution	Dec 2023 Completed
Action 2:	Launch of new website - improved platform for digital solutions	Dec 2023 Completed
Action 3:	Implementation of selected, high volume, high impact customer journey improvements	April 2024 Ongoing
Action 4:	Service redesign to improve and simplify customer journeys	Ongoing
Action 5:	Complete next phase of the new Dynamics Customer Relationship Management (CRM) system, which provides a platform for new digital service development	April 2025
Action 6:	Complete rewrite of website pages	February 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

During the last quarter the development of the next phase of customer transformation has been explored. It is acknowledged that whilst significant progress has been made on the introduction and development of new IT systems to support service delivery, less progress has been made on the redesign of customer journeys to ensure they are intuitive, digitally enabled where possible and ultimately satisfactory regardless of the customer channel being used. To drive further improvement the existing Customer & Digital Strategy is being reviewed and a programme of work focusing specifically on the review of customer journeys is being launched, which will be supported by further development of new online opportunities to complete the most popular service requests. The role of automated intelligence (AI) continues to be considered in order to ensure our customer service staff can spend more of their time serving customers who may not be able to resolve their enquires through other means.

Following discussions at a previous meeting of the Audit and Governance Committee, the Director of Customer and Property and the Director of IT and Programmes met with Councillor John Beesley and Councillor Margaret Phipps, as representatives of the committee, to discuss their personal experience of interacting with the organisation and the experience of their constituents. This meeting highlighted technical obstacles to reporting issues online, certain payment difficulties, challenges with navigating around the website and a wider concern over the lack of proactive action on issues that occur regularly, eg: fly tipping, blocked road drains etc. Officers agreed to look into

the issues raised, although in the case of certain technical issues it was acknowledged that some were already understood and were being addressed by the ICT service.

With regard to being more proactive, street sweeping and gully clearing resources are adjusted with the aim of achieving an optimal balance between reactive and proactive works, but there are insufficient resources to operate as proactively as we might wish to. Regarding fly tipping, a report taken to Cabinet on 5 February 2025 highlighted a revised approach which includes fly tipping incidents being directed to the council's waste team in the first instance where they can be quickly removed should evidence not be present to support an investigation by the council's environmental enforcement contactor. This will reduce the amount of time fly tipping remains on the ground in many cases. Furthermore, the introduction of in-cab technology will shortly allow for the collection of more data and intelligence on neighbourhood issues as staff travel around the conurbation, which will then be used to influence the council's response, including the frequency of visits.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	Activities currently ongoing should begin to impact Net score in the next quarter, although more significant progress will follow further customer journey redesign work, and the introduction of new online service functionality.
Target Score	↔	

Risk CR19 – We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)

Risk Owner – Glynn Barton, Chief Operations Officer

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet

Links to Corporate Objective(s):

Good quality homes are accessible, sustainable and affordable for all
Providing accessible and inclusive services, showing care in our approach

Risk Information

The risks associated with CR19 relate both to the reputation of the council and being put into special measures by the government if performance falls below 60% for major planning applications and 70% for non-major planning applications. The Planning Service is presently performing as follows:

Category	Government Intervention level	2021/2022	2023/2024
Majors	60%	83%	80%
Minors	70%	79%	70%
Others	70%	85%	86%

As can be shown from the above statistics, there is no risk of the council being put into 'special measures' as a result of planning applications performance. The performance since 2021/22 has consistently been at a reasonable level, well above intervention by government when minors and others are combined. It is recognised that the above statistics include use of Extensions of Times (EOT) as per government guidelines. Whilst this is accepted at government level and can be a pragmatic way of engaging with customers to resolve issues, the council wants to ensure the Planning Service performance moves to making decisions within the statutory timeframes, especially for non-majors.

The Head of Planning Operations together with the Development Management managers and team leaders monitor performance on a weekly basis, identifying any trends in downward performance and put interventions in place.

Risk Causes (definite situational facts affecting our objective) (please list):

- Workloads
- Staff (both number and experience levels)
- Implementation of the MasterGov system and downtime



Risk Impacts (contingent effect on objective) (please list):

- Reduced speed of decisions
- Increase backlog
- Reduced quality of service

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Customer/Citizen, Environmental, Political, Reputational

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	4	12		

Mitigations in Place & Completed Actions



- A Planning Improvement Board continues to monitor performance and to ensure mitigations are on track
- A senior officer was appointed to assume responsibility for managing this backlog of older cases and there are now no cases more than 2 years old
- Recruitment process is ongoing to replace contractors with permanent members of staff.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

	Due Date/s:
Overall Target Score Expected Completion Date:	
List All Significant Actions Below:	
Action 1:	Recruitment process (on going) 01/07/2024
Action 2:	Reduce backlog 01/10/2024
Action 3:	
Action 4:	
Action 5:	
Action 6:	

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		

Quarter Update




Performance remains strong for the last quarter with the number of applications determined within government targets being well above minimum performance levels/standard.

Recruitment is ongoing and has been successful to date with recent appointment of a new Development Management manager.

Implementation of the new MasterGov system will be a challenge in the short term but will be beneficial in the longer term making it easier to monitor and manage performance.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		Performance remains strong and backlog continues to decrease
Target Score		

Risk CR26 – Risks associated with the availability of Generative Artificial Intelligence (GenAI)

Risk Owner – Sarah Chamberlain, Director of IT and Programmes

Cabinet Member – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Creating an environment for innovation, learning and leadership

Risk Information

Artificial intelligence (AI) is a way of using computers to replicate human intelligence - Generative AI (GenAI) is one of many forms of AI.

GenAI produces texts, images and other content from people telling the model what to do (sometimes referred to as 'prompting'). GenAI models have learnt from a huge amount of information, often taken from the internet, to produce this content.

GenAI can already be accessed by staff and councillors through:

- Websites (e.g. ChatGPT, Bing or Dal-E)
- Individual apps for personal computers or phones (e.g. Google Assistant lets you ask when your first meeting is)
- Plug-ins for websites (e.g. Expedia allows people to use GenAI to ask for travel plans and flight details)
- New features within computer software (e.g. Microsoft CoPilot and CoPilot365)

Currently, GenAI is most used to support individual tasks and act as a personal assistant, for example:

GenAI can help you be more creative:

- Create images and videos from scratch by simply telling a tool what you want to see
- Come up with lots of new ideas in seconds - for example, coming up with icebreakers for meetings

It can help you be more productive:

- Create first drafts of an email or document for you to finish writing, and then find ways to improve the quality of your writing once you have done so
- Quickly find sources of information and break down complex topics into easy-to-understand information
- Summarise meeting notes and documents

However, improvements and the widespread availability of GenAI tools means it can also be used for many other tasks, changing how we work, how residents engage with us and how the council runs and makes decisions.

The Local Government Association has identified several key risks the use of GenAI places on councils ([external link to LGA website](#)).

The risks identified include insufficient data foundations, a lack of capacity or knowledge within information governance and data protection teams, the perpetuation of digital exclusion and wider forms of exclusion, insufficient knowledge across different business areas in the council, a lack of transparency, job losses, and the impact on resident trust if not implemented transparently and appropriately.

To achieve a balance between innovation and regulation, this high-level risk will attempt to lay out some of the early identified risks, and potential mitigation, that BCP Council will consider as it embraces the use of GenAI within the organisation.

Risk Causes (definite situational facts affecting our objective) (please list):

Trust and Transparency: There are risks about the potential for GenAI to generate misleading or false information, also known as “hallucinations”. This could lead to the spread of misinformation or disinformation or even lead to incorrect advice being provided to residents if unchecked which could lead to undesirable outcomes.

Ethics and Bias: GenAI models can inadvertently perpetuate or amplify existing biases present in the data they were trained on. This could lead to unfair or discriminatory outcomes.

Data Privacy: GenAI often requires access to large amounts of data for training and operation. Ensuring the privacy and security of this data is a significant concern. Without sufficient technical controls or user-training in place it is likely that potentially sensitive data may be exposed.

Data Retention and Compliance: GenAI models often retain training data, which may conflict with Subject Access Request requirements to delete or anonymise personal data upon request and affect the ability to comply fully with Freedom of Information Act requests.

Misuse of Technology: GenAI could be used for political propaganda, compromising local/national security, leaking confidential data, vexatiously increasing council officer workloads, and disseminating inaccurate information.

Cybersecurity Risks: As with any digital technology, GenAI systems can be vulnerable to cyber-attacks or can be leveraged to initiate more complex or sophisticated attacks (such as spear-phishing).

Erosion of Public Trust: If not properly managed, the issues above could lead to a loss of public trust in the council's use of GenAI and data in general.

Risk Impacts (contingent effect on objective) (please list):



As described above, the impacts are largely financial or reputational:

- Financial impacts through fines if data breaches occur without appropriate technical, procedural or policy controls being in place
- Reputational impacts with residents and erosion of trust in council use of data
- Increasing cyber security risks (CR04)
- Progressing with our Data & Innovation Programme with corporate buy-in is imperative to ensure we optimise the outputs of our Transformation Programme. We need to continue to innovate and drive continual improvement, to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around customers' needs.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions



- Microsoft CoPilot365 GenAI tool is currently only in a Project Managed proof of concept stage amongst 300 colleagues from all areas of the council. Review of pilot and next steps linked to Data & Innovation Programme being shared and scoped.
- BCP Council's existing [Information Security Policy](#) already describes expected staff and councillor behaviours in respect of responsible use of IT in general (however does not currently refer to responsible use of GenAI tools).
- IT Security Training published to all staff and councillors is available through the MetaCompliance Training portal. There is training available on the general subject of the risks and responsible use of AI (published in August 2023 and April 2024).
- Rules regarding ethical and responsible use of AI published to [Our Intranet](#).
- Draft Digital White Paper and strategy document is being developed and will be agreed with Corporate Management Board (CMB).
- AI briefing and overview to be scheduled with councillors.
- Data Loss Prevention (DLP) initiative being progressed and led by Information Governance to put in place an information classification scheme to be applied to all council documents.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	No
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Yes

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:



Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	<p>Develop and implement GenAI Strategy document. This should describe:</p> <ul style="list-style-type: none"> How use of GenAI will be governed within BCP Council How BCP will be training staff and councillors and providing regularly updated guidance on the responsible use of GenAI to support their work To our residents, how BCP Council will use GenAI, especially if we start to use it to support public facing or critical service areas How BCP Council's professional areas (IT, Information Governance, Legal, Risk, Audit etc) will continue to account for potential future uses of Generative AI, ensuring all necessary technical infrastructure, safeguards and policies are in place for responsible uses and are compliant with required legislation (UK GDPR etc) <p>UPDATE: Work is underway to scope the Data & Innovation Programme and draft our Digital Strategy. This document is being co-designed with input from various stakeholders and will be further refined through an upcoming workshop with the Directors Strategy Group (DSG) and councillors. CMB and Corporate Strategy Board will be responsible for signing this off.</p>	January 2025
Action 2:	<p>Implement Microsoft Data Loss Prevention (DLP).</p> <p>CoPilot and CoPilot365 has access to whatever data the user has access to. It is therefore imperative that additional technology is implemented to help mitigate the risks of staff or councillors "sharing" content that could make it visible to a wider set of users than intended.</p> <p>DLP is a security solution, already available under existing licencing (but not enabled), that identifies and helps prevent the unsafe or inappropriate sharing, transfer or use of sensitive data contained in the M365 eco-system (Teams, OneDrive, SharePoint).</p>	In progress, to be implemented April 2025

	<p>A project has been agreed and is currently being scoped to deliver DLP and timelines for deployment will be published in due course.</p> <p>UPDATE: The first phase has been completed with CMB accepting the proposal to adopt the recommended Data Classification Scheme on all Council document artefacts and emails. Next phase is now underway to extend the userbase and ensure the technical controls applied to these labels does not “break” existing working practices prior to a full deployment in the 2025/26 financial year.</p>		
Action 3:	<p>Establish an Information Classification Policy (ICP) that can be applied to DLP tooling.</p> <p>BCP has an established Information Governance Policy however this does not currently specify a standardised set of information classification labels (e.g. Restricted, Controlled, Public) that can be applied to ALL unstructured data held within the M365 ecosystem. This will help mitigate risks around data loss as it will enable GenAI tools such as CoPilot and CoPilot365 to make use of applied labels when determining access rights.</p> <p>UPDATE: COMPLETED - The first phase has been completed with CMB accepting the proposal to adopt the recommended Data Classification Scheme on all council document artefacts and emails.</p>	Jan 2025	
Action 4:	<p>Develop and publish GenAI Responsible Use Guidance & Training for all staff and councillors.</p> <p>UPDATE: A document describing the “Seven Rules to Responsible Use of AI” has been written and published to Our Intranet, using experience/advice from local authorities who are ahead of BCP Council in this space. IT are currently working with Corporate Communications to make this guidance known to all staff and councillors.</p> <p>High level “AI Awareness” training has already been delivered to all staff and councillors in 2023 and 2024 as part of mandatory training. Further training is expected but not yet planned.</p> <p>UPDATE: COMPLETED: Rules regarding ethical and responsible use of AI published to Our Intranet.</p>	November 2024	
Action 5:	<p>Formation of AI Governance Board for long term policy setting and decision making around appropriate use of specific GenAI tools for agreed use-cases. Linked to Data & Innovation Programme.</p> <p>UPDATE: We maintain conversations with other local authorities and business to understand approaches in other organisations. An ‘AI Council’ or governance board is recommended and will be approached as a deliverable within the Data & Innovation Programme.</p> <p>In the Interim, and in lieu of any formal expertise in AI internally, the Head of Information Governance has agreed to ensure AI ethics and governance is a standing agenda item at the council’s</p>	April 2025	

	Information Governance Board, including ensuring any use of GenAI does not contravene or complicate existing Subject Access Request and Freedom of Information Act responsibilities.	
Action 6:	<p>Update BCP Council's Information Security Policy referring to any agreed GenAI Responsible Use Guidance & Training (as described in Action 4).</p> <p>UPDATE: Actively in progress. The IT Security Team are actively working with Information Governance colleagues to ensure this policy is updated.</p>	November 2024
Action 7:	<p>Consider any upskilling/resourcing of the council's Information Governance Teams to be able to provide effective professional advice to support any established AI Governance bodies and wider colleagues. Our Data & Innovation Programme will have a key workstream focusing on how our organisation is set up operationally to support our Digital Strategy and requirement for strong governance in support of this.</p> <p>UPDATE: Still recommended but not started, this is being scoped within deliverables for the Data & Innovation Programme.</p>	April 2025
Action 8:	<p>Develop IT and Programmes expertise on the topic of GenAI through formal training. Several staff in IT and Programmes are just starting a 13-month programme called "AI for Business Value". Topics covered include AI ethics, Identifying Opportunities for AI, Managing AI change in your organisation and Measuring AI ROI (return on investment) and Business Impact.</p> <p>UPDATE: AI business analysis training underway as described above for 5 staff within IT and Programmes. Additionally, we have extended our training offering across the organisation and are seeing some very positive uptake.</p> <p>Technical training on developing secure and effective AI tools, as well as more detailed and formalised end-user training on how to effectively adopt and leverage these tools, will fall within scope of the deliverables for the Data & Innovation programme.</p>	In progress

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		

Quarter Update

Over the past quarter, we have made significant progress in addressing the risks associated with the availability of Generative Artificial Intelligence (GenAI).

Our Data and Innovation scoping activity has been a key focus, with the development of a comprehensive scoping document that outlines the work packages, aims, and potential challenges and risks.

This document is being co-designed with input from various stakeholders and will be further refined through an upcoming workshop and discussions with the DSG and councillors. Ultimately the programme will be signed off by CMB, Corporate Strategy Board and will be governed under that framework.

Staff from IT and Programmes are diligently absorbing and learning as much as they can about innovations in this area. They are keeping a close eye on open-source solutions being developed by UK.GOV, which could potentially be adopted, provided we have the necessary local expertise in place.

IT and Programmes will need to ensure they remain sighted of all activity that departments are undertaking with existing partners and vendors around AI solutions and again this centralised governed approach is at the heart of the scope of the developing Data & Innovation Programme.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	The introduction of the council's Responsible Use Guidance and the implementation of technical controls that prevent our staff from using unsanctioned AI tools from BCP Council owned laptops will have helped reduce the risk slightly but without a centralised and governed approach this will not be significant.
Target Score	↔	

Risk CR16 – We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities

Risk Owner – Isla Reynolds, Director of Marketing, Comms & Policy

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet

Links to Corporate Objective(s):

Working closely with partners, removing barriers and empowering others

Risk Information

The new Corporate Strategy focuses on working with partners and enabling communities. As the council moves to this model of delivery that relies more on working with others and securing funding through partnerships, there is a risk of a negative impact on communities if partnership working fails or is not optimal.

This risk could occur due to:

- poor working relationships with or between partners
- inability to secure funding available via partnership working

Partnerships can include other agencies such as the police, other councils or organisations such as BIDs (Business Improvement Districts) and specialist boards (eg Destination Marketing Board). A helpful definition is in the council's Partnership Guidance: "a partnership is any arrangement involving the Council and one or more other organisations (from any sector) who share the responsibility for agreeing and subsequently delivering a set of actions and outcomes that support or contribute to achievement of the Council's corporate priorities."

Risk Causes (definite situational facts affecting our objective) (please list):

- Lack of resources to manage partnership relationships effectively
- Lack of resources or ability to identify and engage in partnership working and funding opportunities
- Changes to partner objectives, funding or behaviour
- Policy changes and funding opportunities following the recent change of government



Risk Impacts (contingent effect on objective) (please list):

- Poor relationships impede delivery of services to communities
- Lack of funding impacts delivery across various services (depending on partnership)

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions



- Partnership governance guidance in place
- Partnership register in place

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Communicate Partnership Guidance to staff	October 2024
Action 2:	Review and update the Partnership Register	October 2024
Action 3:	Templates to be circulated to Directors for review and updates to the partnership register	June 2025
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place




Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	1	3		

Quarter Update

Due to team capacity the partnership register was not reviewed and updated in Oct 2024, templates will be circulated to directorates for updates on partnership information during this next quarter.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		Due to team capacity the date for review and updates have been extended.
Net Score		
Target Score		

Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements

Risk Owner – Jillian Kay, Corporate Director for Wellbeing

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services

Links to Corporate Objective(s):

Working together everyone feels safe and secure

Risk Information

Several global conflicts have required a humanitarian response/offer of refuge to those fleeing and in each case the UK government has set out its policy for accommodating and resettling refugees in every local authority area. The schemes in operation are:

- UK Refugee Resettlement (UKRS - previously known as the Gateway Scheme/Syrian Resettlement scheme)
- Afghan Resettlement (ACRS/ARAP)
- Homes for Ukraine/ Ukraine Family scheme
- Communities for Afghans Scheme

In addition to these schemes the Home Office also accommodates all who arrive and apply for asylum in the UK and, if granted refugee status, these households require access to accommodation and support with community integration. Due to the exponential increase in the volume of asylum seekers arriving in the UK, the government has become reliant on contingency accommodation (nightly let hotels). Bournemouth, Christchurch and Poole currently have hotels who are contracted by the Home Office to provide this accommodation while those housed await their asylum decision.

Risks related to asylum and refugee resettlement include:

- Potential homeless presentations from Ukrainian refugees should the H4U scheme support from government (financial incentives to sponsors) be discontinued
- Lack of required support for those seeking asylum and those who are already refugees
- Safeguarding risks to asylum seekers/refugees as well as to staff or the public not being mitigated
- Pressure on the Bournemouth, Christchurch and Poole housing market which is already inhospitable and unable to meet demand of Bournemouth, Christchurch and Poole families
- Pressure on Primary, Secondary and Community NHS services from these cohorts of new patients
- Pressure on social care services (notably Children's Services as a result of Unaccompanied Asylum Seeking Children)
- Pressure on Homelessness services as asylum seekers receive positive decisions on their applications and are given notice to vacate their Home Office funded hotel accommodation
- Repeat homelessness where single people subsequently apply for family reunion visas
- Pressure on schools to provide education and related support to refugee children
- A detrimental impact on the tourism economy in Bournemouth, Christchurch and Poole as hotels in use are a significant portion of the available rooms (impact anticipated more in summer months)
- Concerns around community cohesion and tensions in relation to asylum and refugee resettlement
- Increase in activity of extremist groups

Gaza and Israeli conflict

In addition to the information provided above we are also monitoring any localized tensions relating to the conflict in Israel and Gaza and receive regular updates regionally and nationally regarding the complex situation.

Protests

The Public Protection team are working closely with Dorset Police around an increase in planned and unplanned protests both in relation to the Gaza and Israel conflict and around immigration. In the last quarter there have been an increase in protests requiring a multi-agency approach and an increase in protests at the Civic Centre site and around asylum accommodation. The protests have remained peaceful, with minimal arrests or dispersals. There has been a national rise in protests, with some areas of the country experiencing violence and rioting, however, this has not transpired locally. Going forward we are now seeing an increase in regular planned protests by key protest groups. Dorset Police hold the lead, however a separate command structure has been set up within BCP Council to support. Teams such as Facilities Management, CSAS (Community Safety Patrol Officers) and highways have been engaged to provide security to the Civic site, manage traffic flow on the network and engage with protest groups. Risks from protests include:

- Damage to the Civic Centre or cenotaph
- Disruption at council meetings affecting the civic process
- Disruption to communities
- Disruption to businesses
- Disruption to the transport network

Extensive planning between BCP Council and Dorset Police is undertaken for each protest to mitigate these risks.

Risk Causes (definite situational facts affecting our objective) (please list):

- Conflict in Israel and Gaza and increasingly in the surrounding territories
- Home Office SAP (Streamlined Asylum Process) policy and related notices to vacate hotels
- Transport of ARAP/ACRS refugees from other 3rd countries to UK (in MoD accommodation and into private rented sector)
- National tensions around the asylum and immigration process and trend of increased protests
- Lack of clarity regarding Ukraine visa scheme and continued government support of sponsorship



Risk Impacts (contingent effect on objective) (please list):

- Heightened community tensions and inter-faith relationships
- Number of homeless applications increased
- Number of former asylum seekers found to be street homeless increased
- Disruption to the transport network, business operations and community

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions



- Multi-agency partnership working and governance framework in place, communication channels in place e.g. briefings, webpages, dedicated staff team established, links with government agencies
- Strategic leadership from BCP Council in relation to asylum accommodation and refugee resettlement, identifying need for collaboration with all stakeholders and progressing with impact assessment for the council and its partners of asylum and refugee resettlement
- Additional grant funded resource recruited to manage this new programme and case manage households now resident in the Bournemouth, Christchurch and Poole area and enable proactive preventative support
- Engagement with the Home Office and their contracted providers to discuss and deliver dispersed asylum accommodation in the community
- Work with the voluntary and community sector (VCS) to address gaps in support required across all schemes
- Appropriate use of tariff incomes to incentivize hosting sustainment and access to move-on accommodation for Ukrainian refugees
- Intensive prevention/welfare case support to Ukrainian scheme guests and hosts to discuss options and planned exit from the scheme if funding does end
- Lobbying of the Ministry of Housing, Communities and Local Government and the Home Office re pressures and required resources to address family reunion homelessness
- Participation in Local Authority Housing Fund programme (government grant funded) to mitigate the risk of homelessness for Ukrainian and Afghan refugees while adding to housing portfolio of BCP Council longer term
- Lobbying on the pressures being experienced by local authorities, to Ministers and the Home Office
- Regular updates from the Home Office on the situation in Gaza and Israel, both abroad and in the UK
- BCP Council command structure working with Dorset Police to manage protest intelligence and responses.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue to monitor community tensions relating to the conflict in Gaza and Israel and work with partners to address as needed	ongoing
Action 2:	Continue to work with Dorset Police regarding regular planned protests	ongoing
Action 3:	Continue to monitor community tensions relating to protests and work with partners to address as needed	ongoing
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place




Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	1	3		

Quarter Update

Update as outlined above.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR25 – We may be unable to effectively transform services to achieve efficiencies and improve service standards

Risk Owner – Corporate Management Board Collective

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Jeff Hanna – Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

- Creating an environment for innovation, learning and leadership
- Using our resources sustainably to support our ambitions
- Using data, insights and feedback to shape services and solutions

Risk Information

As we move towards the closure of the BCP Transformation Programme in March 2025, it is essential we maintain our focus on achieving the efficiencies targeted as outputs of the programme and that we have a sustained focus on improving service standards.

Efficiencies and improved service standards are predicated on having the resource (financial and people) to identify and implement the changes necessary to achieve the council's operating model. An environment of increasing financial challenges or other demands on council resource could slow the rate of tangible benefits associated with transformation or require the council to reassess its initial ambitions based on what is achievable.

Risk Causes (definite situational facts affecting our objective) (please list):

- Reduction in financial and human resources available to deliver, support and drive a culture of change, innovation and focus on efficient approach to service delivery and practice
- Increase in demand on services to deliver business as usual and lack of workforce engagement with innovation
- Conflicting corporate and service led priorities
- Further requests for service transformation funding
- Lack of funds to build growth, capacity and capability in established Centres of Expertise i.e. Data and Analytics, Procurement, Projects and Programmes (PPM)
- Transformation Programme closing without a sustained plan of approach for continuous improvement and strategic intent, to build on the outputs of transformation, to drive efficiencies and realise ongoing associated benefits.

Risk Impacts (contingent effect on objective) (please list):

- Slower pace of change
- Unable to achieve Target Operational Model and foundations to enable ongoing efficiencies across our organisation
- Negative view of the Transformation Programme and what it promised, both internally within our organisation and outwardly by our residents. Detrimental to our reputation and great success with the Transformation Programme and its outputs
- Poor return on the investment we have made on our technology stack and the opportunities we have to link this with strategic systems and innovation/efficiencies
- Inability to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around their needs
- Longer term associations to our ability to recruit if we are unable to offer modernised, efficient approaches to our work, service delivery and processes through technology.



Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

The following risk categories apply:

Corporate Risk Categories: Technological, Customer/ Citizen, Economic, Political

Service Risk Categories: Resource, Technological

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

As we continue our focus on closing-out the Transformation Programme we maintain the following mitigations:

- The Transformation Programme has been formally agreed by Cabinet and Council to close in March 2025. Continued programmes to deliver the outcomes of this programme will be presented and steered within the BCP Council Corporate Strategy Delivery Board to ensure robust governance, reporting is maintained and that we continue to drive outputs and deliverables.
- Corporate Strategy Delivery Board established to ensure maintained focus on continuous improvement and strategic delivery to meet Corporate Strategy objectives.
- Resourcing/capacity (both within core programme team and service areas) is on programme risk register and we are actively reviewing our corporate priorities with our Corporate Management Board (CMB) and councillors to ensure we are focused on delivering agreed priorities. Programme budget is actively managed with monitoring statements provided to Finance monthly and reported through the Corporate Strategy Delivery Board.
- Corporate Transformation Programme will close in March 2025. However, our exposure to this risk remains as we maintain our focus on continued improvement and optimisation of the foundations we have established through our proposed Data & Innovation Programme, our Customer Strategy and our efforts to build the capacity and capability to deliver this.

We must remain focused on achieving our digital vision and realising associated benefits:

Data and Innovation Programme:

- Scoping of detailed programme is underway, aligned to corporate Digital Strategy which is in draft. The programme and strategy will need to be agreed and reviewed by CMB and councillors.
- Continued focus on Artificial Intelligence and innovation; development of our corporate approach to Co-Pilot and response to first phase rollout.
- Identification of use cases: working with our Microsoft partner to identify funded opportunities to help us demonstrate tangible opportunities for efficiencies using technology to drive and support workforce engagement and build our business case for growth.
- Ongoing focus on evolving and establishing the service offering of the Data and Analytics Centre of Expertise
- Focus on data quality, integrity and accuracy across the organisation
- Data migration and ownerships
- Information governance, data protection and compliance
- Strategic focus on how we drive, govern and agree innovation as an operational model within IT and Programmes and across the organisation.
- Drive organisational change through data led decision making

Digital Strategy:

- Digital Strategy is drafted. We have commenced discussion with our directors through the Director's Strategy Group to start to scope and progress the business case for Data & Innovation using this as the basis. It will also feed into the delivery of the Customer Strategy.

Systems Ownership, Consolidation & Integration:


- Sustained focus on successful implementation and support of systems
- Deliver systems ownership model
- Maintain strategic supplier relationships
- Consolidate and rationalise

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	2	4		



All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Effective management of the current Transformation Board and its close-down and support the effective transition of the strategic focus of the Corporate Strategy Delivery Board on continuous improvement and ongoing strategic outputs from foundations laid by the Transformation Programme COMPLETED	January 2025
Action 2:	Continue Children's Transformation Programme	April 2025
Action 3:	Continue Adults' Transformation Programme	April 2025
Action 4:	Develop and establish a new Data & Innovation Programme	April 2025
Action 5:	Continue Strategic Corporate Management Board and Cabinet Members Working Group (ensuring robust knowledge exchange)	April 2025
Action 6:	Commit resource and support to upcoming Children's inspections COMPLETED	Late 2024 (TBC)
Action 7:	Agree formal BCP Digital Strategy	April 2025

Action 8:	Data & Innovation Programme business case to be proposed and put through governance procedures for sign off and agreed commencement	June 2025
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Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	2	4		

Quarter Update




Our BCP Council Digital Strategy has been drafted and is being circulated through appropriate circles for review and updates. It will also form part of the outline of the Data & Innovation Programme which we are currently scoping.

We have a Programme Manager in place who is driving activity forward and has recently undertaken a workshop with our Directors Strategy Group to both socialise the key elements of our Digital Strategy and to progress the detail and the objectives of the Data & Innovation Programme.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

This is a new risk. As such we will be able to present the direction of travel in more detail as the mitigations against risk/s are addressed and progressed.



Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR24 – We may fail to adequately address concerns around community safety
Risk Owner – Jillian Kay, Corporate Director for Wellbeing
Cabinet Member (BCP Council – Democracy) – Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy
<u>Links to Corporate Objective(s):</u> Working together everyone feels safe and secure
Risk Information <p>Due to budget constraints, services in Public Protection are working at a statutory baseline. Emerging public concerns around areas such as Bournemouth Town Centre show public concern for residents and visitor safety.</p> <p>A number of initiatives are in place to mitigate the risks including:</p> <ul style="list-style-type: none"> • Police Operation Clear, Hold, Build that tackles organised crime which is significantly linked to serious violence • A new Serious Violence Strategy that works with partners to address the root cause of serious violence • Policing operations increasing visibility such as Operation Nightjar and Operation Track • Town Centre Action Partnership Group and tactical groups that have a multi-agency response to tackle issues in Bournemouth Town Centre • Evidence-led approaches to the deployment of resource in Public Protection • Six-weekly multi-agency walk arounds in Bournemouth Town Centre to identify issues relating to environmental concerns and safety concerns • Community Safety Partnership (CSP) in place to tackle most prevalent issues in relation to community safety • Initiatives delivered based on CSP priorities around serious violence, violence against women and girls, exploitation and anti-social behaviour. <p>In the Bournemouth, Christchurch and Poole area, violence against women and girls (VAWG) is one of the four key priorities for the Safer BCP Community Safety Partnership. Tackling issues relating to VAWG and all gender based violence is also a key priority for the Safer BCP Serious Violence Strategy, following the detailed analysis undertaken through our Serious Violence Needs Assessment. To this effect we have a BCP Adults Safeguarding Board, and Pan-Dorset Children's Safeguarding Board alongside other groups including a Domestic Abuse Strategic Group, Serious Violence Delivery Group (Sexual Offences), Sex Workers Risk Assessment Conference, MARAC (multi-agency risk assessment conference - high risk domestic abuse) and other task and finish groups as identified through the monthly data analysis.</p>
Risk Causes (definite situational facts affecting our objective) (please list): <ul style="list-style-type: none"> • Reduction in resources, leading to a statutory minimum delivery due to savings • Public perception of issues in high priority areas • Changes to partner objectives, funding or behaviour • Policy changes and funding opportunities following the recent change in government
Risk Impacts (contingent effect on objective) (please list): <ul style="list-style-type: none"> • Reduction in public perception and public confidence • Failure to deliver on statutory duties • Fear of crime increases

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Citizen, Social, Physical, Resource, Economic, Environmental, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	2	6		

Mitigations in Place & Completed Actions



- Six-weekly multi-agency street audits to identify defects and issues in Bournemouth Town Centre
- Supporting Dorset Police in Clear, Hold, Build initiative, hotspot policing and key operations to enhance visible presence across the conurbation
- Partnership Action Group for Bournemouth Town Centre
- Serious Violence Strategy and Serious Violence Delivery groups to identify and tackle serious violence issues in Bournemouth Christchurch and Poole, monitored through the statutory BCP Community Safety Partnership
- Safer Streets 5 funding
- Successful grant funding from Department for Transport (DfT) for an anti-social behaviour (ASB) Community Safety Accreditation Scheme pilot managing anti-social behaviour on the public transport network
- Successful grant funding under the Bus Service Improvement Programme to install 250 CCTV cameras at the most used bus stops.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
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Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place



Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	1	2		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2025
List All Significant Actions Below:		
Action 1:	Deliver Serious Violence Strategy and delivery groups through the Community Safety Partnership	Complete
Action 2:	Continue Partnership Action Group and associated tactical delivery	April 2025
Action 3:	Deliver Department for Transport Grant funded ASB project	April 2025
Action 4:	Deliver chewing gum removal	Complete

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place




Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

- ASB reduced by 6% in the town centre in the last year, 18% reduction across the conurbation
- DfT funded transport safety pilot complete with over 8000 hours of patrol and 900 incidents dealt with
- CCTV installed in the 250 most used bus stops
- Over 1600 food premises safety inspections undertaken in 2024/25
- Fifty-two actions completed from town centre walk arounds
- Four new deployable CCTV cameras installed
- Safer Streets 5 delivered with increase in CCTV installed, community guardianships scheme launched, unity promise launched and greater enhancements to joint working
- Business crime reduction partnership running in town centre locations with over 400 businesses engaged
- White Ribbon accreditation achieved
- Community Safety Partnership won gold for transformation at ITSE awards
- Shortlisted for Resolve ASB award

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		Ongoing challenges around perception and work within areas primarily business as usual with some resilience challenges
Net Score		Mitigation ongoing and now embedded as business as usual
Target Score		

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DRAFT BCP Council Risk Management Policy

Date January 2025

DRAFT

Insurance & Risk Management

Author: Insurance & Risk Manager
Version: V1
Review Date: January 2026



1. Purpose Statement

- 1.1 The Government Finance Function's document The Orange Book – Management of Risk – Principles and Concepts 2019 gives the following definitions for risk and risk management:

Risk is the effect of uncertainty on objectives. Risk is usually expressed in terms of causes, potential events, and their consequences.

Risk Management is the co-ordinated activities designed and operated to manage risk and exercise internal control within an organisation. Risk is an inevitable part of everyday business and cannot be eliminated, but it can be managed.

- 1.2 Essentially, good risk management supports the organisation by providing a system and process to manage the risks to the achievement of our objectives so that we increase our chances of success. There are clear benefits to instigating a system of risk management as well as regulatory requirements. The council is committed to ensuring that awareness and consideration of risk is an integral part of everyday management across the council in order to realise the following benefits:
- Inform strategic and operational decision-making
 - Give clear lines of sight on the risks facing the council and total exposures
 - Help safeguard all persons to whom the council has a duty of care
 - Enhance stakeholder value by minimising losses and maximising opportunities
 - Enable not just backward looking review, but forward looking thinking
 - Contribute towards social value and sustainable development
 - Reduce unexpected and costly surprises
 - Minimise our vulnerability to fraud and corruption
 - Ensure minimal service disruption
 - Ensure statutory compliance
 - Minimise levels of inspection and regulation
 - Better target resources including focusing scarce resources on essential high risk activity
 - Reduce financial costs due to, for example: service disruption, litigation, insurance premiums and claims, and bad investment decisions
 - Support the delivery of creative and innovative projects
 - As a result of the above, protect our reputation.

2. Who the policy applies to

- 2.1 All colleagues and councillors.

3. This policy replaces

- 3.1 The BCP Council Risk Management Policy dated 1 April 2019.

4. Approval process

- 4.1 This policy is approved and implemented by the Corporate Management Board.
- 4.2 The Audit and Governance Committee note the policy as part of its role ensuring the adequacy of governance arrangements in place.

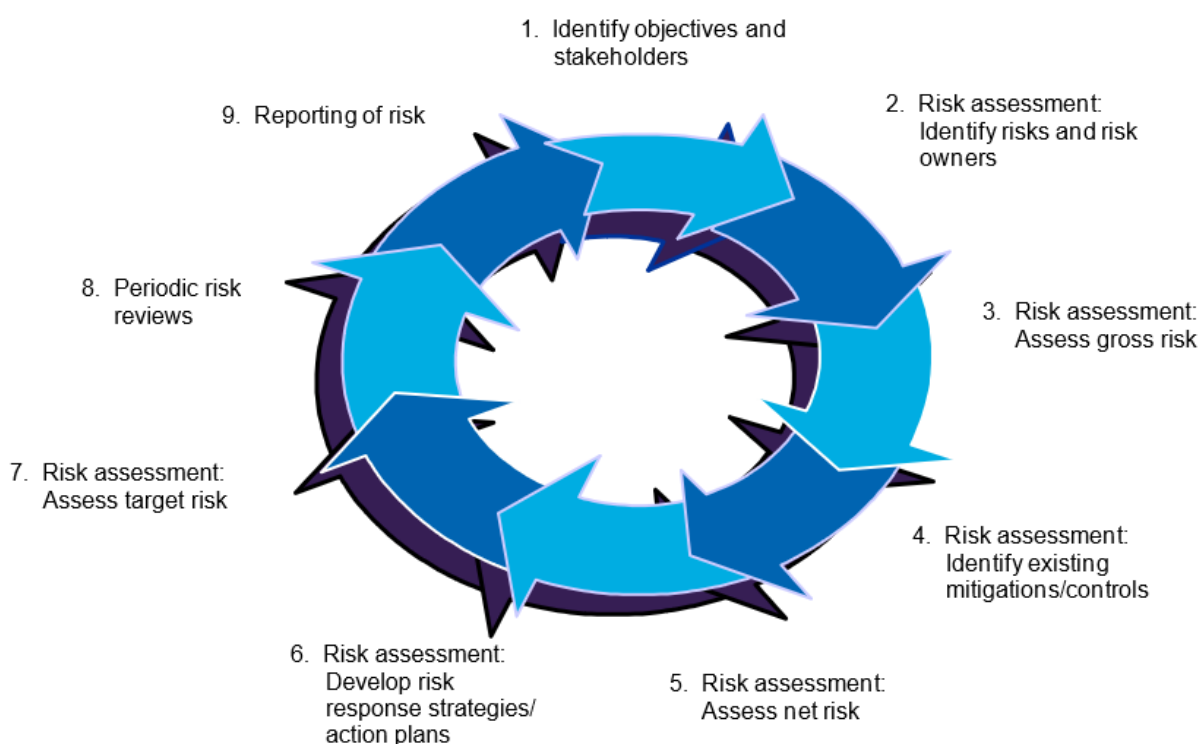
5. Links to Council Strategies

- 5.1 This policy supports BCP Council's Corporate Strategy, specifically Our Visions and ambitions 'Using data, insights and feedback to share services and solutions' and 'Using our resources sustainability to support our ambitions'.

6. The Policy

6.1 Risk Management Cycle:

This represents a series of activities carried out in a cyclical manner, ensuring risks are identified, evaluated, managed, reported and monitored on a regular basis as outlined in the diagram below. Full details of the process are provided in the Risk Management Procedures Guidance.

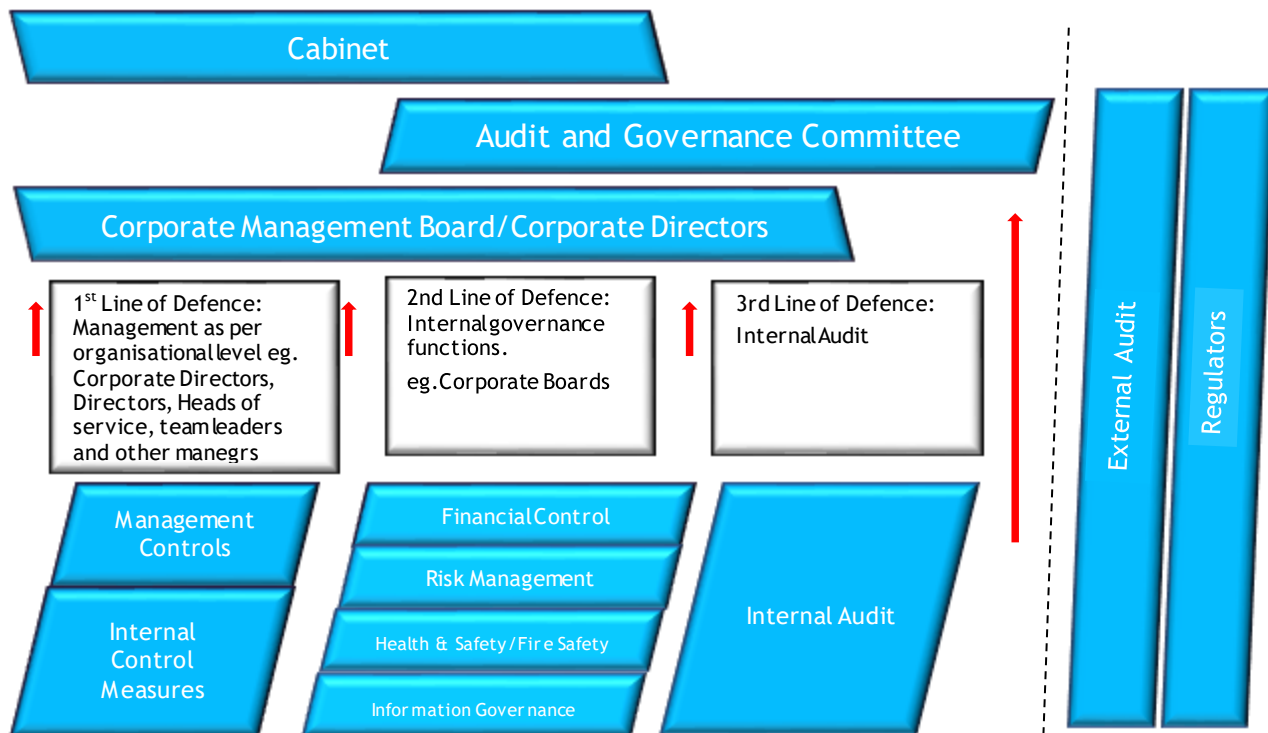


6.1 Risk Governance:

Cabinet and Corporate Management Board set the tone from the top, including providing direction to management by setting the organisation's risk appetite and risk tolerance. This enables the pursuit of objectives to take place within a context where the level of acceptable risk-seeking is known and where the level of risk is monitored.

Managers at various levels within the organisation have risk management responsibilities. Directors and management provide leadership and direction to employees and reinforce expectations at the various levels of the organisation.

To ensure the effectiveness of the organisation's risk management framework, Cabinet, Corporate Management Board and senior management need to be able to rely on organisational functions – including monitoring and assurance functions. The council endorses the 'Three Lines of Defence' model as a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:



6.2 Risk Management Vision, Mission, Goals and Objectives

Vision:

Effective risk management forms a key part of ensuring the council delivers its ambitions. Reflecting on the complex environment in which the council operates it is important to understand the risks faced in delivering its priorities. Being risk aware and have robust arrangements in place in terms of risk management is intended to support the Council's Corporate Strategy and associated objectives.

Mission:

Create a comprehensive approach to anticipate, identify, prioritize, manage and monitor the portfolio of risks impacting our organisation. Put in place the policies, common processes, competencies, accountabilities and reporting mechanisms to execute that approach successfully.

Goals and Objectives:

- Ensure risk management roles and responsibilities are known and understood
- Integrate risk management with corporate and director level planning
- Develop a common understanding of risk across multiple functions and areas to support the visibility of risk and its cost-effective management on an enterprise-wide basis
- Identify, analyse and cost-effectively manage risk where possible, or enable senior managers and councillors to be aware of the acceptance of risk where not
- Report risk management information to senior managers and the Audit and Governance Committee
- Support efficient use of resources and value for money
- Ensure appropriate ownership of and accountability for risks
- Help focus internal audit annual planning
- Reduce the number of shocks and unwelcome surprises
- Maximise our capability to comply with legislation and regulation

6.3 Risk Appetite and Tolerance:

The Institute of Risk Management in its Risk Appetite & Tolerance Guidance Paper (2011) defines both risk appetite and risk tolerance.

Risk appetite: the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives.

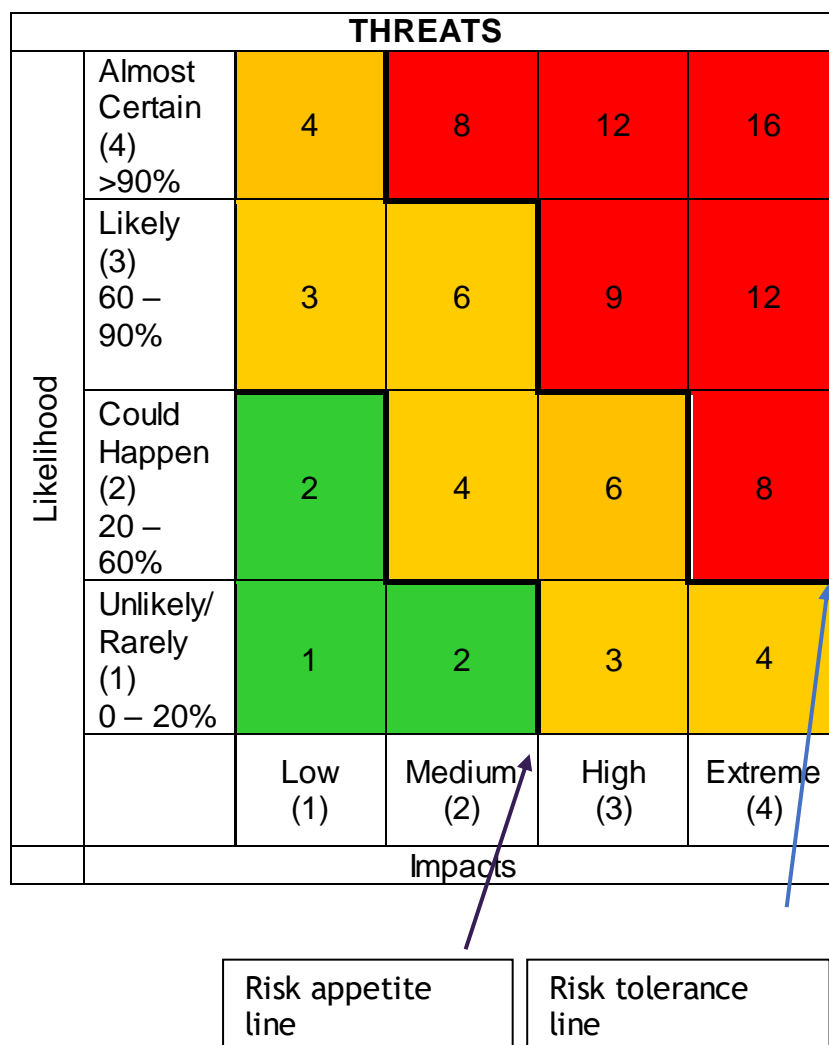
Risk tolerance: the boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long term objectives.

It is logical that the council may accept higher levels of risk in order to deliver objectives connected to our corporate priorities. Higher levels of risk will only be acceptable if there is a comprehensive understanding of the exposures involved, potential benefits arising and subject to appropriate control and approval arrangements. Defining an organisation's risk appetite is a good way of clearly setting out what the organisation's attitude to risk is. In practice risk appetite and risk tolerance may vary depending on risk category, for example, currently the council's appetite and tolerance for risks resulting in negative financial impacts and consequences is low.

An exercise was undertaken (IS ON-GOING) where definitions for risk impacts or consequences were agreed for each risk category. Risk impact definitions are used along with risk likelihood definitions to arrive at an overall risk score for each identified risk. This scoring allows the whole portfolio of corporate risks to be prioritised in relation to one another. The exercise undertaken clearly defined what low, medium, high and extreme impacts are considered to be and makes the connection between the risk appetite for each category.

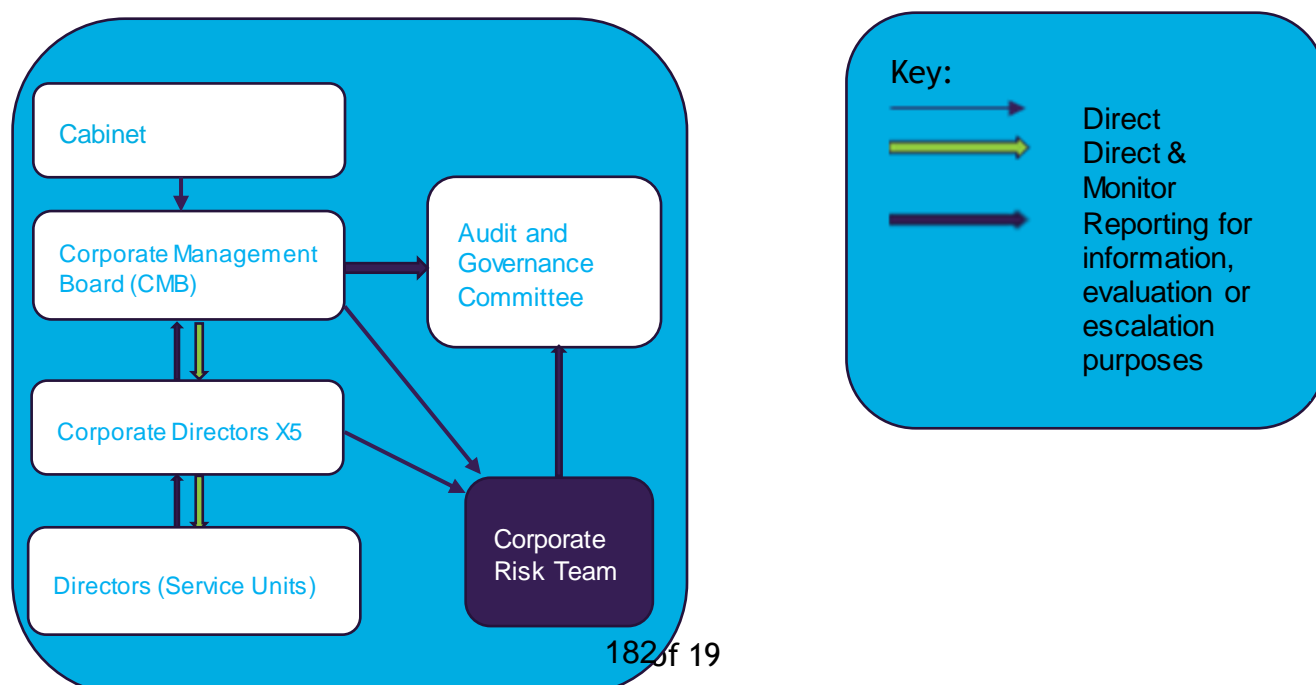
Once risk impact and likelihood definitions were established it was possible to map risk appetite and risk tolerance boundary lines onto the council's 4 x 4 risk scoring matrix (see below). Any risks with scores in the green area are considered 'comfortable', any risks falling within the amber area are considered 'manageable' and any risks falling within the red area are outside tolerance. All risks should be monitored on a quarterly basis and amber and red risks should be controlled or managed-down as much as cost-effectively possible. Section 6.6, Risk Framework Including Escalation/De-escalation of Risk, and Section 8, Roles and Responsibilities sets out how these risks should be escalated if appropriate.

Appendix 1 provides the impact and likelihood definitions which support the following risk matrix.



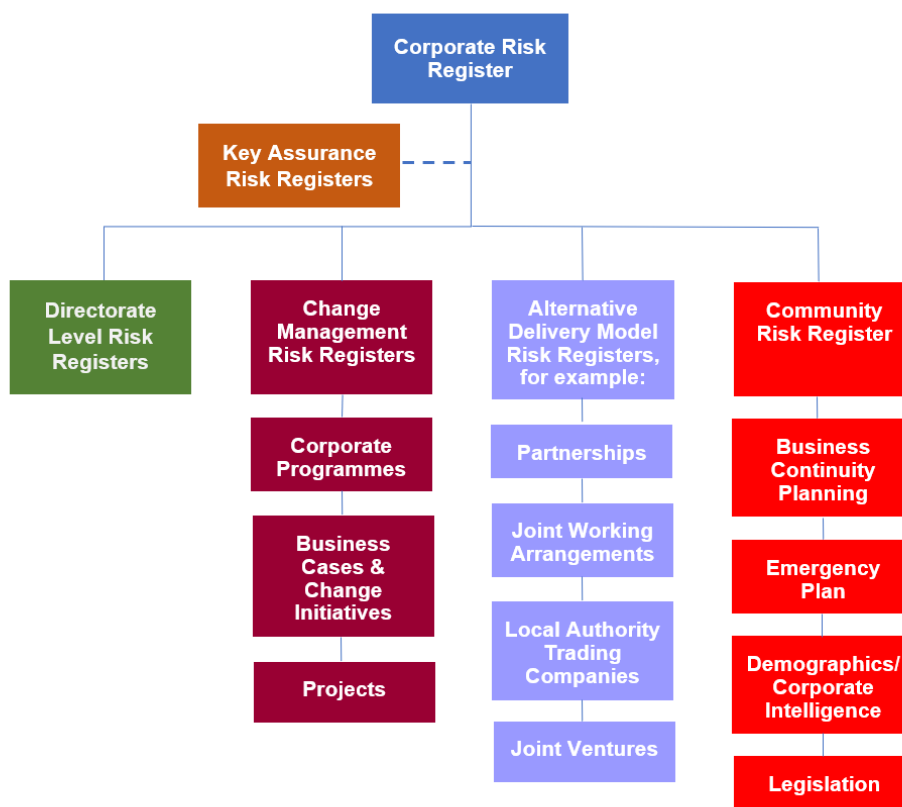
6.4 Risk Architecture:

An organisation's risk architecture is made up of the risk management roles, responsibilities, communication and risk reporting structure adopted by the council. The council's risk architecture is illustrated in the graphic below taken together with the description of the risk register hierarchy which follows and the roles and responsibilities set out in section 8. of this policy.



Risk Register Hierarchy at BCP Council:

Risk information is captured within a number of linked risk registers. The illustration below shows how the various levels of risk register are structured in the council. Lower level risk information influences the production of the Corporate Risk Register and highlights areas for concern to the Corporate Directors/Corporate Management Board. Since risk information flows in both directions, information from the Corporate Risk Register also influences risk management at lower levels of the organisation.



6.6 Risk Framework Including Escalation/De-escalation of Risks and Risk Registers:

The council has developed a risk management framework that enables risks across the breadth and depth of the organisation to be identified, assessed for impact and likelihood, prioritised, cost-effectively managed where possible, monitored, reviewed and reported.

The Corporate Risk Register is focused on risks to the achievement of our Corporate Strategy. Key Assurance Board Risk Registers focus on specific areas. Director level Risk Registers focus on strategic and high level operational risks. Other functions within or allied to the council will also need to create and maintain risk registers such as programmes and projects, initiatives requiring Full Council or delegated approval, partnership working, alternative delivery models etc.

Corporate Risk (Register)

As mentioned above, many of the risks in the Corporate Risk Register will be those arising from our Corporate Strategy. The risk register will therefore need to be reviewed upon any change to the strategy or changes to the environment in which the council operates.

Routinely, Corporate Directors are to raise new corporate risks and decide on the removal of expired or stepped-down risks (at Corporate Management Board if appropriate). Existing Corporate Risks will be reviewed and updated quarterly by the Risk Owner (usually a Corporate Director) allocated to that risk. The Corporate Risk Register will then be reviewed quarterly on a collective basis by Corporate Management Board. These risks are then reported quarterly to Audit and Governance Committee.

Key Assurance Level Board Level

Assurance Board Risk Registers focus on specific areas for the council and the Boards are tasked with providing Corporate Management Board with reassurance around the risk level across the organisation. These risks are reviewed and updated at each Board meeting and reported to CMB as part of the quarterly risk review.

Director Level Risks (Register)

Annual service planning identifies priorities for service delivery for the coming year. The risk register will therefore need to be reviewed/updated against these priorities as part of the annual process and in the interim if there is a fundamental change in objectives.

Consideration should be given to including an over-arching 'monitoring' risk for each significant programme, project, partnership, alternative delivery model etc which is significant to the achievement of priorities.

Director level risks will be reviewed on a quarterly basis by the Director and their senior management team with the support of the Director's Risk Representative.

Corporate Directors should discuss Director level Risk Registers with their Directors regularly during one to ones. At least on a quarterly basis, Corporate Directors should review, challenge and approve Director level risk registers paying particular attention to high gross risks or cross-cutting risks. Corporate Directors will then be able to feed their findings into Corporate Risk discussions. Corporate Directors will also be able to ensure any relevant Corporate Risks are reflected in their Director level Risk Registers.

Director level Risk Registers will be subject to formal review and sign-off by Directors as part of the annual service planning cycle and will be reported to Corporate Management Board cyclically by the Corporate Risk Team so that each register is formally reported once annually.

Major Change, Projects, Partnerships and Council Companies

Risk registers should be set up in all instances at concept stage and updated and maintained throughout the life of the initiative. Once set up registers should be reviewed at least quarterly by the lead officer before onward consideration by the relevant Director, Corporate Director and board. As appropriate, these risk registers should feed into higher level risk registers such as Director level Risk Registers or the Corporate Risk Register for monitoring purposes.

When working in partnership or other shared/alternative delivery arrangement, it is expected that the lead organisation will develop and regularly update a risk assessment/register for the enterprise and that this will be made available on a regular basis or upon request to all participating organisations together with supporting procedural and reference guidance. The council's lead Director/Corporate Director is to ensure that they undertake a review of the risk register on a quarterly basis.

6.7 Risk Management in Council Decision Making Processes

There are various ways in which decisions can be made within the council, for example, by Council, Cabinet, or various other committees and boards or by officers with delegated authority. Risk assessments/register should be completed to support such decision making. Material risks for all options considered together with proposed controls/mitigations or proposed acceptance of risks should be discussed within the relevant decision-making document. In addition, all Council, Cabinet

and committee, board reports etc must incorporate a 'summary of risk assessment' section. This should include a summary of any risks that may arise as a result of the implementation of recommendations made, together with details of how the risk could be managed and mitigated. This will help councillors and officers to understand the implications of any recommendations they may accept. In line with the Financial Regulations, Council, Cabinet and committee reports must be produced in consultation with the Chief Financial Officer or their nominated representative.

The Corporate Risk Team are available to provide advice and guidance. Risk management training will be given to Director level Risk Representatives and where a clear need is identified.

6.7 Reporting of Risk

Corporate risks are reported to Audit and Governance Committee quarterly. Key Assurance Risk Registers and Director Level risk information will be formally reported to Corporate Management Board at least annually.

7 How to use this policy

- 7.1 This policy outlines the council's approach to risk management and should be used in conjunction with the information provided on the council's intranet pages included the Risk Management Policy Procedures.

8 Roles and responsibilities

- 8.1 To ensure risk management is effectively implemented, all members and officers should have a level of understanding of the council's risk management policy and approach and regard risk management as part of their responsibilities. Detailed risk management roles and responsibilities are set out in Appendix 2.

9 Enforcement and sanctions

- 9.1 Section 8 Roles and responsibilities, sets out which roles are to enforce this policy by requiring compliance with it.

Non-compliance with this policy will be escalated as follows:



Stage 1: If the Corporate Risk Team have significant concerns regarding compliance with this Policy, these concerns will be put in writing to the Director (or equivalent) who will be asked to respond within two weeks. Should there be no response during this timeframe or if concerns are not resolved, then the matter will be escalated to the Head of Audit & Management Assurance. The Head of Audit & Management Assurance will contact the Director (or equivalent) to discuss and update the Corporate Risk Team with the outcome.

Stage 2: After a further two weeks (four weeks after the matter was first raised with the Director), if concerns have not been resolved, then the Head of Audit & Management Assurance will escalate the matter to the Chief Finance Officer/Section 151 Officer as the officer with responsibility for risk management. The Chief Finance Officer/Section 151 Officer will contact the Director to discuss and update the Corporate Risk Team with the outcome.

Stage 3: If after a further two weeks or a timeframe agreed by the Chief Finance Officer/Section 151 Officer there is still no resolution, the matter will be referred to the relevant Corporate Director (or if appropriate Corporate Management Board or other governing board) who will update the Corporate Risk Team with any actions agreed to resolve the matter.

Stage 4: If there is no progress made as a result of Stage 3, after a time to be determined by the Chief Finance Officer/Section 151 Officer, the matter will be referred to the Chief Executive as the accountable officer for risk management. Ultimately, significant non-compliance could result in a governance weakness being identified in the Annual Governance Statement.

10 Further information

10.1 Accessible from the council's intranet:

Constitution (including the Financial Regulations)
BCP Council's Corporate Strategy
BCP Council Risk Management Policy Procedures and Guidance
Risk Register Template
Risk Categories
Impact and Likelihood Definitions
Equality Impact Assessment Tool
Investment and Change Governance Framework

Accessible from the relevant website:

[Chartered Internal Auditors Institute – Three Lines of Defence
ALARM](#)

Stakeholder Consultation:

Statutory officers
Corporate Management Board
Corporate Directors
Directors
Head of Internal Audit and the Audit Manager
Major Change and PMO
Corporate Health & Safety
Corporate Fire Safety
Legacy Risk Champions
Insights, Policy and Performance

Strategic Procurement
Information Governance
Emergency Planning and Resilience

Communications Plan:

Publish on the intranet
Publish on the council's website
Work with Risk Representatives to embed in services and processes
Communicate to all stakeholders to an appropriate level

Impact of Risk

Table 1: Impact Scoring Guidance

Threat (Negative) Impacts Scores		
1	Low	a) Potential financial loss of less than £200k b) Minor injury c) Minor legal/regulatory consequence d) Minor impact outside single objective/local system e) Internal adverse publicity, minor reputational damage/ adverse publicity f) Minor service disruption g) Minimal service user complaints
2	Medium	a) Potential financial loss of between £200k and £999,999 b) More serious injury c) Significant legal/ regulatory consequence d) Significant impact on objective/s, processes or systems e) Significant localised reputational damage f) Significant service disruption g) Multiple service user complaints
3	High	a) Potential financial loss of between £1m and £1,999,999 b) Major disabling injury c) Substantial legal/ regulatory consequence d) Substantial impact on objective/s, processes or systems e) Prolonged adverse local and national media coverage f) Substantial service disruption g) A substantial number of service user complaints
4	Extreme	a) Potential financial loss of over £2m b) Fatality and/or multiple injuries c) Major legal/regulatory consequence d) Major impact on corporate level objective/s e) Major/severe reputational damage/ national adverse publicity f) Central government interest/ administration g) Loss of all critical services for a significant period of time

Likelihood of Risk

Table 2: Likelihood Scoring Guidance

Threat (Negative) Likelihood Score		
1	Unlikely/ Rare	a) 0 - 20% chance of occurrence b) 1 in 20 year event c) May occur only in exceptional circumstances d) Has never or very rarely happened before
2	Could Happen	a) 20 - 60% chance of occurrence b) 1 in 10 year event c) Is unlikely to occur but could occur at some time/ in some circumstances
3	Likely to Happen	a) 60 - 90% chance of occurrence b) 1 in 5 year event c) Will probably occur at some time/ in most circumstances
4	Almost Certain	a) Over 90% chance of occurrence b) Occurs on an annual basis c) Is expected to occur in most circumstances

ROLE	RESPONSIBILITY
Cabinet	<ul style="list-style-type: none"> • To approve the risk appetite and risk tolerance for the authority in conjunction with Corporate Management Board • To set the 'tone at the top' in the approach to risk management in conjunction with Corporate Management Board • Be aware of the corporate risk register • To ensure that papers presented to Cabinet demonstrate robust risk management compliance • To consider risk to support informed decision making • To maintain ongoing awareness of the risk profile across own portfolio area. • To feed back to the CEO any newly emerging risks and discuss changes to the existing Corporate Risks.
Audit and Governance Committee	<ul style="list-style-type: none"> • To support and promote the development of a strong risk management culture • To consider arrangements for risk management including the noting of the Risk Management Policy and review of the council's corporate risk register • To hold officers to account and to provide independent assurance on the adequacy of the risk management framework, • To assist in the identification of risk and where appropriate to challenge responsible officers over the management of risks.
Councillors	<ul style="list-style-type: none"> • To manage risk effectively in their role • To ensure awareness of the key risks facing the council • To ensure appropriate advice is received from officers on the risk implications of any decisions required to be made.
Portfolio Holders	<ul style="list-style-type: none"> • To maintain ongoing awareness of the risk profile across own portfolio area • To ensure appropriate advice is received from officers on the risk implications of any portfolio decisions.
Chief Executive/Head of Paid Service	<ul style="list-style-type: none"> • The Chief Executive is the Accountable Officer for risk management within the authority • Through Statutory Officer role as Head of Paid Service, to horizon-scan for organisational risks • To support the enforcement and compliance with this policy by intervention.

ROLE	RESPONSIBILITY
Corporate Management Board	<ul style="list-style-type: none"> • To consider arrangements for risk management including the approval of the Risk Management Policy and review of the council's corporate risk register • To set risk appetite and risk tolerance for the authority in conjunction with Cabinet • To set the 'tone at the top' in the approach to risk management in conjunction with Cabinet • To identify, manage and report the council's corporate risks including quarterly review and approval of the Corporate Risk Register • To raise new corporate risks and decide on the archiving of expired or stepped-down risks • To collectively contribute to the quarterly review and update of the Corporate Risk Register • To review and understand risk exposure across the council based on current management information and consider inclusion of significant operational, programme/ project, partnership and other alternative delivery model risks in the Corporate Risk Register alongside strategic/ corporate risks. • To ensure that the Risk Management Policy is implemented and observed by all Director, programmes/projects, partnerships and other alternative delivery model bodies of the council. • To respond to risk-related questions arising from Audit and Governance Committee. • To support the enforcement and compliance with this policy by intervention and escalation as necessary. • To ensure consistent evaluation and presentation of risks through a collective assessment of the Corporate Directors initial reviews of risk
Corporate Directors	<ul style="list-style-type: none"> • To review the corporate risks where they are the risk owner, prior to the collective quarterly review by Corporate Management Board • To raise new corporate risks, decide on the archiving of expired risks, or step-down risks to lower level risk registers (at Corporate Management Board if appropriate) • To ensure that the Risk Management Policy is implemented and observed by all Service, programmes/projects, partnerships and other service delivery methodologies. • To regularly discuss Service risks in one-to-ones or similar meetings with Service Directors or direct reports • To formally review, challenge and approve Service risk registers on a quarterly basis paying particular attention to high gross risks or cross-cutting service risks. To consider taking any such risks identified to Corporate Management Board for consideration as corporate risks • To consider taking any high gross programme/project, change initiative, partnership or other service delivery methodology risks they become aware of to the Corporate Management Board for consideration as corporate risks • To support the enforcement and compliance with this policy by intervention and escalation as necessary.

ROLE	RESPONSIBILITY
Chief Finance Officer/Section 151 Officer	<ul style="list-style-type: none"> • As Chief Financial Officer to have specific responsibility for risk management. • To prepare the council's Risk Management Policy and advise on the management of strategic, financial and operational risks • To promote the Risk Management Policy throughout the council • Through Statutory Officer role as Section 151 Officer, to horizon-scan for risks relating to an unbalanced budget • To refresh the information within the ongoing MTFP review/reporting process to take account of emerging or changing corporate or service risks • To support the enforcement and compliance with this policy by intervention and escalation as necessary.
Monitoring Officer	<ul style="list-style-type: none"> • Through Statutory Officer role as Monitoring Officer, to horizon-scan for risks relating to legislative, statutory or democratic matters.
Key Assurance Boards	<ul style="list-style-type: none"> • To identify, manage and report the council's key assurance risks including quarterly review and update to the Corporate Risk Team. • To review, challenge and update the Key Assurance Board risk register with Board Members regularly and at least quarterly intervals. • To raise new key assurance risks and cascade these throughout the council. • To collectively contribute to the quarterly review and update of the Corporate Risk Register by the provision of the specific Board Risk Register. • To review and understand risk exposure across the council based on current management information and consider the need to escalate risks to the Corporate Management Board.

ROLE	RESPONSIBILITY
Service Directors	<ul style="list-style-type: none"> • To appreciate the benefit and have a in depth understanding of the council's Risk Management Policy and its operation. • To ensure that risks are managed effectively in their area of responsibility in accordance with the council's Risk Management Policy • To nominate a Service Risk Representative who will be the key interface in supporting the application of risk management principles within their service. This person must have access to the senior management team and for this reason, the Risk Representative should be a member of the senior management team • To formally review and sign-off Service Risk Registers as part of the annual service planning cycle • To review, challenge and update the Service risk register with Service senior managers at the start of the annual service planning cycle and thereafter regularly at quarterly intervals • To ensure that a risk assessment/register exists for all programmes/ projects, change initiatives, partnerships, joint working, other alternative delivery models and other significant initiatives lead by the Service and review these on a quarterly basis • To regularly discuss risks relating to the Service in one-to-ones or similar meetings with the relevant Corporate Director paying particular attention to high gross risks. This would include formal review and approval of Service Risk Registers by Corporate Directors on a quarterly basis and would provide an escalation process for high gross risks or cross cutting risks • To decide on the archiving of expired Service risks • To provide the Service risk register to the Corporate Risk Team upon request but at least on a half-yearly basis <p>Where a manager directly reports to a Corporate Director the above would also apply.</p>
Managers	<ul style="list-style-type: none"> • Obtaining professional advice appropriate to individual procurement exercises from Legal, Finance, IT, Human Resources, Property, Sustainability Team, Insurance and other professional functions as appropriate • All Programme, Project and other change managers are to ensure that a risk register is developed at concept stage and updated, reviewed and reported throughout the life of the initiative at least on a quarterly basis. This includes programmes, projects, partnerships, joint working, other alternative delivery models and other significant change initiatives • In addition, all officers with delegated approval authority under Schemes of Delegation must ensure that risks and benefits have been identified and recorded on any decision making approvals. If in doubt a full risk assessment is to be undertaken • To ensure that risks are considered and documents in all reports • To ensure that risks are recorded in all procurement exemptions • All officers making decisions must be satisfied as early as possible in the decision-making process that any risks have been considered. • To ensure the existence of appropriate service risk assessments and ensure these are monitored, kept up to date and regularly reviewed at least at quarterly intervals

ROLE	RESPONSIBILITY
Risk Owners	<ul style="list-style-type: none"> • To manage assigned risks and associated actions effectively including timely and effective review of existing risk assessments at least quarterly, closure of risks that are no longer valid and recognition of new/emerging risks. The risk owner must demonstrate and exercise sound judgement and escalate significant risk-related issues as appropriate. • To decide on the best management and control strategies to manage these risks to an acceptable level • To ensure that additional management processes (controls) are implemented to further manage risks
Corporate Risk Team	<ul style="list-style-type: none"> • To lead on the development of the Risk Management Policy and associated processes • To lead on a review of the Risk Management Policy initially after the first year then every three years • To support officers at all levels of the organisation and councillors in the effective implementation of the Risk Management Policy and to keep under review, develop and document both the Policy and associated risk management procedures, processes and framework in conjunction with relevant senior officers • To facilitate the update of the Corporate Risk Register in conjunction with Corporate Directors and Corporate Management Board and report it to Audit and Governance Committee • To report Service risk register information to Corporate Management Board cyclically • Corporate Risk Officer to have half-yearly meetings with the Service risk representatives to provide guidance and support • To undertake a high level review half-yearly of the Service risk registers • To support the enforcement and compliance with this policy by intervention and escalation as necessary.
All Employees including Managers	<ul style="list-style-type: none"> • To manage risk effectively in their job and report any new or changed risks to their line manager.
Head of Audit & Management Assurance	<ul style="list-style-type: none"> • To ensure that internal audit's work is risk-based and aligned to the organisation's strategic objectives and will support the annual internal audit opinion • To report annually to the Audit and Governance Committee on the appropriateness and effectiveness of the risk management framework in support of the Annual Governance Statement • To ensure sufficient resources, expertise and knowledge within the risk management team to provide advice and support to various levels of the organisation • To support the enforcement and compliance with this policy by intervention and escalation as necessary.
Internal Audit	<ul style="list-style-type: none"> • To audit the risk processes across the organisation and make recommendations as to how these can be improved • To provide assurance on the management of risk • Report on compliance with this policy.

ROLE	RESPONSIBILITY
Risk Representatives	<ul style="list-style-type: none"> • To champion and facilitate risk management within their Services /Departments including helping to identify and if necessary escalate emerging risks. • To keep the Service Risk Register up to date by quarterly review with the Director/Service Senior Management Team • To be a point of contact within the Service for risk management matters • To have half-yearly meetings with the Corporate Risk Officer to receive guidance and support and advise on the development of the Service risk management arrangements • To provide the Service Risk Register to the Corporate Risk Team upon request but at least on a half-yearly basis.

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit - 4th Quarter, 2024/25, Audit Plan Update
Meeting date	20 March 2025
Status	Public Report
Executive summary	<p>This report details progress made on delivery of the 2024/25 Audit Plan for 4th quarter. NOTE – due to Committee dates, only January and February are included in the report. March 2025 will be included in the Q1 2025/26 progress report to Audit & Governance Committee in July.</p> <p>The report highlights that:</p> <ul style="list-style-type: none"> • 4 audit assignments have been finalised, including 3 'Reasonable' audit opinions and 1 'Follow Up'; • 30 audit assignments are in progress, including 7 at draft report stage; • Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion; • There are no outstanding recommendations which require escalating to this Committee. <p>The Council Tax Single Person Discount pilot undertaken by Internal Audit has now been completed, resulting in a total yield of £672,733. This project is now being undertaken as 'business as usual' by the Income Maximisation and Compliance Team, who have achieved an addition council tax yield of £71,352 for the first three months.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee note progress made and issues arising on the delivery of the 2024/25 Internal Audit Plan.</p>
Reason for recommendations	<p>To communicate progress on the delivery of the 2024/25 Internal Audit Plan.</p> <p>To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.</p>

Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. This report details Internal Audit's progress against the 2024/25 Audit Plan for the period January to February 2025 inclusive and reports the audit opinion of the assignments completed during this period. Due to reporting deadlines, March progress will be included in the Quarter 1 progress report in July 2025.
2. As at end February 2025, there are no outstanding recommendations which require escalating to this Committee.

Delivery of 2024/25 Internal Audit Plan – January – February 2025

3. 4 audit assignments have been finalised during January and February as outlined below:

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
1	Law & Governance	Business Continuity (Service KAF) – Review of: <ul style="list-style-type: none"> ➤ Oversight and monitoring of business continuity arrangements ➤ Coordination and delegation of business continuity activities ➤ Assessment, planning and testing of business continuity risks 	Reasonable	0	0	0
2	Finance	Health & Safety (Core KAF) <ul style="list-style-type: none"> ➤ Governance arrangements operating effectively ➤ Health surveillance programmes operating for all relevant job roles ➤ Arrangements to ensure grey fleet requirements are complied with ➤ Recommendations/actions required by internal / external assurance providers are implemented 	Reasonable	0	1	4
3	Adults Commissioning	Homecare and Residential Care Payments (Counter Fraud Review) <ul style="list-style-type: none"> ➤ Review of effectiveness of the controls in place to ensure Homecare payments and Residential Care payments are paid accurately for current service users and any errors or potential anomalies are detected and resolved prior to payments being made 	Reasonable	0	3	2
4	Marketing, Comms & Policy	Sustainable Environment <ul style="list-style-type: none"> ➤ Confirm the status and timeframes for drafting and agreeing a strategy, governance arrangements and supporting action plan for Sustainable Environment as a precursor to a wider audit review of Sustainability and Climate Action in 2025/26 <p><i>Note – the previous recommendations were superseded by the planned actions of the Sustainability lead officer, including the agreement of a new Sustainability Strategy and establishment of governance arrangements at both officer and councillor level</i></p>	Follow Up	0	0	0
Total Recommendations				0	4	6

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

Partial/Minimal Assurance Audit Opinions

4. There were no 'Partial' or 'Minimal' assurance audit reports issued during the period.

Audits in Progress

5. The status of **audits in progress** during the quarter are outlined below:

	Service Area	Audit	Progress
1	Commissioning	Supplier Assurance	Draft
2	Finance	Creditors	Draft
3	Finance	Mandate Fraud (Counter Fraud Review) – joint report with Creditors	Draft
4	Finance	Risk Management (Core KAF)	Draft
5	Housing & Communities	Temporary Accommodation and B&B Financial Management	Draft
6	IT & Programmes	Third Party Access	Draft
7	Marketing, Comms & Policy	Partnerships	Draft
8	Finance	Debtors	Fieldwork
9	Finance	Procurement	Fieldwork
10	Commercial Operations	Car Parking & Enforcement Income	Fieldwork
11	Investment & Development	Key Assurance Functions – Overview	Fieldwork
12	Finance	Estate Management	Fieldwork
13	Adult Social Care	Safeguarding (Core KAF)	Fieldwork
14	Housing & Communities	Housing Rents	Fieldwork
15	Commissioning	Tricuro	Fieldwork
16	Children's	Fire, Health & Safety (Service KAF)	Fieldwork
17	Finance	Treasury Management	Fieldwork
18	Planning & Transport	Planning Applications (Counter Fraud)	Fieldwork
19	Children's Commissioning	Commissioning Delivery including Quality Assurance	Fieldwork
20	Customer & Property	Council Companies Governance Follow Up	Fieldwork
21	Planning & Transport	CIL – Management of Spend	Fieldwork
22	Customer & Property	Corporate Complaints	Scoping
23	Environment	Coroner & Mortuary Service	Scoping
24	Finance	Business Continuity (Core KAF)	Scoping

25	Finance	Business Continuity (Service KAF)	Scoping
26	IT & Programmes	Project & Programme Management	Scoping
27	Law & Governance	Information Governance (Core KAF)	Scoping
28	Marketing, Comms & Policy	Business Planning & Performance Management (Core KAF)	Scoping
29	Marketing, Comms & Policy	Business Planning & Performance Management (Service KAF)	Scoping
30	Planning & Transport	Highways Infrastructure Asset Register	Scoping

6. The 2024/25 Audit Plan is kept under review to ensure that any changes to risks, including emerging high risks, are considered along with available resource. The **following changes have been made to the 2024/25 audit plan** since the previous report to A&G Committee in January:

	Service Area	Audit	Added / Removed	Comment/rationale
1	Commissioning	Brokerage Contract Allocation Analysis	Removed	Agreed this would be removed from the plan as the proposed scope overlapped with the 2022/23 Brokerage audit, which was partial. Follow up of outstanding recommendations continued during 2024/25. The time for this audit was used for the Commissioning – Supplier Assurance audit, which is currently in draft, as there were a number of complex issues to review which were not foreseen at the scoping stage of the audit.
2	Adult Social Care	Liberty Safeguards	Removed	Delayed until Q1 2025/26 to enable current development work in the service to be completed and the forthcoming CQC visit to take place. In the meantime, assurance over adequacy of arrangements was provided by the service including results of an internal quality assurance review, where no poor practice was highlighted.
3	Partnerships & Strategy	KAF Overview	Removed	This was delayed at the request of the Director due to changes in staffing arrangements.
4	People & Culture	IR35 Compliance	Removed	This has been postponed to 2025/26 when the new process will be fully embedded into HR. In the meantime, assurance was received that all new requests for IR35 are reviewed prior to set up.

7. The remaining audits planned for March are shown below. As the audit plan is risk-based, it may be that the plan is amended, for example, following emergence of higher risk areas.

2024/25 Audits Planned for March 2025 - Provisional

	Service Area	Audit
1	Children's Services	Schools Finance audit
2	Commercial Operations	FCERM – Commercial Sharing & Cost Control / Recovery Approach
3	Commercial Operations	Seafront – Arrangements for Compliance with Planning Regulations
4	Customer & Property	Fire Safety (Core KAF)

8. Based on the progress against the plan to date, it is considered that the plan is on track to be materially delivered in time to support the Chief Internal Auditor's annual audit opinion.

Audit & Governance Committee Queries Arising from Quarter 3 'Partial' Reports

9. At the previous meeting of this Committee, two queries were raised in relation to the 'Partial' Internal Audit reports issued in quarter 3. The issues, as minuted, are shown below, together with the response:

10. **Minutes - It was noted that the three medium priorities for Facilities Management Health and Safety Compliance were behind and out of date, albeit with some mitigating circumstances. The Head of Audit and Management Assurance was asked whether these should be high priorities due to specific risks to health. He explained that these had been risk assessed but could be reviewed in more detail and reported back to the committee.**

Update - Whilst the gross risk to health and safety of the issues identified are high, the auditor considered that there were some mitigations in place which reduced the overall risk such as to warrant a medium priority recommendation. In the case of the out-of-date asbestos register, for example, the Council's Asbestos Management Plan and working practices is to *"Always suspect there are Asbestos Containing Materials where you are working unless there is evidence to the contrary"* and to therefore take all necessary precautions for working with asbestos in these circumstances. Whilst this is inefficient (i.e. precautions taken in situations where asbestos is not present), it does mean the appropriate health and safety measures will be in place.

11. **Minutes - He also agreed to follow up on a concern that there was no defined risk owner for Artificial Intelligence (AI) and report back to the committee.**

Update - The Director of IT and Programmes is now the owner of the corporate Generative Artificial Intelligence risk (see Corporate Risk Register Update reported to this Committee).

Significant Issues Arising and Other Work

Single Person Discount

12. Following completion of the Council Tax Single Person Discount (SPD) pilot project by Internal Audit, it was agreed with the Audit & Governance Committee that they will receive assurance that the 'business as usual' approach continues to generate yield following its move to the Income Maximisation and Compliance Team.
13. The Internal Audit pilot resulted in a total yield of £672,733 (including financial penalties of £26,180) with only two residual cases to be finalised (circa £2,000).
14. Due to the success of the project in contributing to the MTFP, the project moved to 'business as usual' within the Income Maximisation and Compliance Team within the Revenues & Benefits Service from December 2024.
15. The first actions taken by the Income Maximisation and Compliance team were to review the 4,182 outstanding 2023/24 National Fraud Initiative (NFI) matches against current data and credit check the remaining cases to triage focus onto the highest risk cases. As at the 28 February the team have processed 1,986 cases and issued 277 review letters (810 letters issued during the pilot project).
16. A new NFI report was released in February, which will now be worked on alongside completing any open 2023/24 matches.
17. 62 SPDs have been identified as fraud or error as at 28 Feb 2025, raising additional council tax yield by £71,352 (including financial penalties of £4,340). These figures have been calculated in the same way as the pilot project for direct comparison in this first report of ongoing NFI SPD work. This is similar to the first reported quarter in the pilot and reflects the position of starting to issue letters and the delay before SPDs can be removed as a result of no response or confirmation of SPD fraud or error.
18. Whilst it is still in its early stages, systematically reviewing SPDs continues to identify fraud or error at a fairly consistent number and percentage of the cases reviewed and is resulting in additional council tax yield. Monitoring by management will be ongoing, once Audit & Governance Committee are content that the 'business as usual approach' is embedded and continues to deliver broadly similar additional council tax yield reporting will move to an annual update.
19. Every case the team review now has a 12 month review date added, so that the cases will automatically be reviewed to reduce risk, error and future resource on matches. From April 2025 the work of the Income Maximisation and Compliance Team will become the Compliance and Review area of Council Tax that will include a Reviews team to support the ongoing reviews of SPDs, as well as other discounts and exemptions (MTFP target). Thereby strengthening the gateway and reducing potential fraud and error, together with reducing the level of cases on future NFI reports.

Other work

20. Six Early Education Fund audits were issued as final during the quarter. No significant concerns were identified.
21. The annual evolution reviews of the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy, Regulation of Investigatory Powers Act and Financial Regulations were undertaken by the

Internal Audit team during the quarter and taken to the 27 February 2025 meeting of this Committee.

22. Work is continuing to ensure compliance with the new Global Internal Audit Standards (GIAS) and a separate report is on the agenda for this Committee.

Implementation of Internal Audit Recommendations

23. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date (or the agreed revised target date) will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
24. There were no recommendations which met the criteria at the end of February 2025.
25. 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.
26. There were no recommendations which met the criteria.

Options Appraisal

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

Summary of financial implications

28. The BCP Council Internal Audit Team budgeted cost for 2024/25 is £752,000; this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.
29. As reported to the January 2025 Committee, there is projected to be a budget overspend for 2024/25 of approximately £30,000 because required budget vacancy factor savings will not be realised as the team has been at full establishment during the financial year. This overspend will be met from savings across the wider Audit & Management Assurance budget.

Summary of legal implications

30. 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

31. The Internal Audit Team currently consists of 14.35 FTE inclusive of the Head of Audit & Management Assurance. It is the opinion of the Chief Internal Auditor that these resources are sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required.
32. Whilst the team has been at full establishment during the 2024/25, one of the Audit Managers has recently resigned and will be leaving the Council in May 2025.

Planning for their replacement is underway, and Audit & Governance Committee will be kept apprised of any potential resource implications for the delivery of the audit plan. At this stage there is expected to be no material negative impact.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

None

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Global Internal Audit Standards and Internal Audit Charter
Meeting date	20 March 2025
Status	Public Report
Executive summary	<p>To comply with the new Global Internal Audit Standards (GIAS), the Application Note for the Global Internal Audit Standards in the UK Public Sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government, this report introduces the new Internal Audit Charter for BCP Council. The Internal Audit Charter has been completely revised in light of the new requirements and contains other key documents, such as the Internal Audit Strategy and the Quality Assurance & Improvement Programme.</p> <p>This report also provides an overview of the GIAS, which comes into effect from 1 April 2025 and the action plan in place to ensure full conformance with the standards.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee approve the Internal Audit Charter having considered the following:</p> <ul style="list-style-type: none"> • The mandate which : <ul style="list-style-type: none"> ○ includes appropriate authority, role and responsibilities of the internal audit function ○ provides expected scope and types of internal audit services ○ ensures the independence and effective performance of internal audit • Content of the Internal Audit Strategy • Change to performance target 1A of the Quality Assurance and Improvement Program – “To complete the final revised annual audit plan by 30 May or 31 July for agreed cross-year engagements” • Arrangements to manage organisational independence and conflicts of interest, including in those areas which the Chief Internal Auditor manages
Reason for	To comply with Global Internal Audit Standards and Application Note for the public sector through the production and approval by

recommendations	the Audit & Governance Committee of the Internal Audit Charter.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
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. The new [Global Internal Audit Standards](#) (GIAS), produced by the Institute of Internal Auditors (IIA), guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of internal audit functions. The new GIAS will replace the existing Public Sector Internal Audit Standards (PSIAS).
2. Auditors working in the UK public sector must follow the requirements of the GIAS, subject to the interpretations and additional requirements set out in the [Application Note: Global Internal Audit Standards in the UK Public Sector](#), which both come into effect from the 1 April 2025.
3. These are supplemented by the [CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government](#), which supports authorities in establishing their internal audit arrangements and provide oversight and support for internal audit. This also comes into effect from the 1 April 2025.

The new Global Internal Audit Standards

4. One of the key changes is a structural change, where elements have been consolidated into a new structure and categorised into:
 - 5 Domains,
 - 15 Principles, and
 - 52 Standards

as shown in the diagram below (taken from The Institute of Internal Auditors), together with some of the new requirements and key changes shown in *italics*.

Domain V – Performing Internal Audit Services

Principles:

13. Plan Engagements Effectively
14. Conduct Engagement Work
15. Communicate Engagement Conclusions and Monitor Action Plans

Some new requirements such as determining root cause analysis

Domain IV – Managing the IA Function

Principles:

9. Plan Strategically
10. Manage Resources
11. Communicate Effectively
12. Enhance Quality

Some new requirements such as for an internal audit strategy

Domain I – Purpose of Internal Auditing
Shortest domain – emphasises the purpose of IA



Domain II – Ethics and Professionalism

Principles:

1. Demonstrate Integrity
2. Maintain Objectivity
3. Demonstrate Competency
4. Exercise Due Professional Care
5. Maintain Confidentiality

Reorganisation of the Code of Ethics & introduces new terms such as professional courage & professional

Domain III – Governing the IA Function

Principles:

6. Authorised by the Board
7. Positioned Independently
8. Overseen by the Board

Changes include outlining essential conditions necessary for optimal internal audit, senior management and board (Audit Committee) collaboration and the requirement for a mandate

Topical Requirements – provides consistent, comprehensive approach to governance, risk management and control processes in key risk areas.

Diagram from Institute of Internal Auditors

5. Other key changes include:
 - a. Board (Audit & Governance Committee) and Senior Management involvement necessary to perform oversight responsibilities
 - b. Introduction of an Internal Audit Strategy
 - c. Introduction of Topical standards – such as cybersecurity, information technology governance and sustainability – to provide consistent, comprehensive approach to governance, risk management and control processes in key risk areas.

Self-Assessment

6. In preparation for the GIAS, a self-assessment against the mandatory requirements was undertaken using the tool provided by the Chartered Institute of Internal Auditors. Each standard was assessed using the criteria 'Generally Conforms / Partially Conforms / Does Not Conform'. These are then aggregated using the guidelines that where over 50% of requirements are met, 'Generally Conforms' will be applied, 'Partial Conforms' for between 25% - 50%, and 'Does Not Conform' for under 25%.
7. An initial assessment was carried out in July 2024, where partial conformance was identified against some standards. There were also areas where conformance could not be readily evidenced although the standard was met in practice. An action plan was put in place, and a second self-assessment was undertaken in February 2025 where it was judged that the internal audit function '**generally conforms**' across all standards / domains.
8. There are still a number of areas for development which are required in order to meet full conformance and therefore an action plan is being delivered to address these.

Action Plan

9. The attached action plan (Appendix 1) shows the required actions in order to meet full conformance with the GIAS. In summary, the actions are as follows:
 - Update of the Audit Manual – whilst most requirements are already included, a full assessment and cross-referencing is still to be undertaken
 - Undertake competency assessments – this is a new requirement
 - Consult/engage with senior management – across a number of areas
 - Identify emerging themes in audit findings
 - Use of service's performance management in audits
 - Establish a library of work programmes
 - Introduce root cause analysis
 - Include Topical Requirements where required
10. There are also a number of 'desirable' actions, which would enhance conformance, included on the wider action plan being delivered by Internal Audit but are of lower priority.

Internal Audit Charter (including Mandate) 2025/26

11. In order to comply with the GIAS, a new Internal Audit Charter (including Mandate) has been produced to take effect from 1 April 2025.
12. Audit & Governance Committee are asked to approve the Internal Audit Charter (Appendix 2) which includes the:
 - Purpose of Internal Auditing;
 - Commitment to adhering to the Global Internal Audit Standards;
 - Mandate, including scope and types of services, Audit & Governance Committee and senior management responsibilities, expectations and support;
 - Organisational position and reporting relationships.
13. The Internal Audit Charter is divided into the five Domains of the GIAS and linked to the individual standards.
14. Section 6 (of the Charter) includes the Purpose and Mandate for Internal Audit. The definition has been updated to reflect the role of Internal Audit in provision of insight and foresight, in addition to assurance and advice.
15. The inclusion of the Mandate is a new requirement. The mandate for BCP Council's Internal Audit function is provided by the Accounts and Audit Regulations 2015 (as amended), supplemented by the Local Government Act 1972 and the BCP Council Constitution (including the Terms of Reference for the Audit & Governance Committee and Financial Regulations). Audit & Governance Committee should note the mandate:
 - includes appropriate authority, role and responsibilities of the internal audit function
 - provides expected scope and types of internal audit services
 - ensures the independence and effective performance of internal audit
16. Audit & Governance Committee should also note that the Charter includes:
 - Internal Audit Strategy 2025 – 2028 (Charter ref 8.2 / Appendix C) – this is a new requirement which aims to ensure the Internal Audit function supports both the strategic success of BCP Council and continually strives to improve its own quality, performance and efficiency. The specific development areas include:
 - Compliance with GIAS
 - Use of Artificial Intelligence
 - Qualification training of apprentices
 - Data Analytics Strategy
 - Audit Management System
 - Data Analytics Strategy 2025-2028 (Charter Appendix D) – this has been updated to reflect the data analytics maturity level from 'Aware' to 'Defined', added use of Artificial Intelligence, and refreshed the actions to move towards 'Managed' maturity level

- Information sources to determine the scope of an audit (Charter Appendix E) – to help stakeholders understand how audits are selected for the audit plan and scoped
 - An updated Quality Assurance and Improvement Program (QAIP) (Charter Appendix H) – Audit & Governance Committee are asked to particularly note performance target 1A. This had previously referred to completion of 90% of the audit plan. However, this has now been changed to completion of the (whole of) the final revised annual audit plan, and includes dates by which the audits should be completed. This has been changed to reflect the move away from a static annual plan a number of years ago, to a more dynamic plan which is updated through the year in response to risks and changing priorities. Any audits which do not meet the deadlines will be reported to Audit & Governance Committee.
 - Domain III gives particular responsibilities to Audit & Governance Committee to confirm the independence of the Internal Audit function (Charter ref 6.21 – 6.24 and 7.7 – 7.8). This includes the ability of the Chief Internal Auditor to have direct access to the Chair of Audit & Governance Committee and arrangements to manage conflict of interest risk for those areas the Chief Internal Auditor manages. In these cases, the audit engagements will be overseen by the Deputy Chief Internal Auditors and issued in their name. The Chief Internal Auditor's own personal declarations of interest will be shared with the Chair and Vice Chair of this Committee annually.
 - Whist BCP Council's HR processes will always take precedent, before the appointment of a new Chief Internal Auditor, Audit & Governance Committee will be asked to review job description, remuneration and performance evaluation process (Charter ref 6.24).
 - The Chief Internal Auditor will report to Audit & Governance Committee regarding the adequacy of financial and human resources, of the Internal Audit team, to allow fulfilment of its responsibilities (Charter ref 8.12).
17. The Internal Audit Charter and Mandate will be reviewed by Internal Audit at least annually or when changes are required and reported to Audit & Governance Committee annually (Charter ref 4.2).

Options Appraisal

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

Summary of financial implications

19. The introduction of the GIAS will be delivered within existing resources.

Summary of legal implications

20. Compliance with the GIAS will ensure compliance with the Council's legal obligations, including the Accounts and Audit Regulations 2015 (as amended) that requires the Council to "undertake an effective internal audit...taking into account public sector internal auditing standards or guidance".

Summary of human resources implications

21. The Internal Audit team are required to comply with the GIAS, with specific responsibilities relating to Ethics and Professionalism.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

24. The Charter and accompanying Equality Impact Assessment (EIA), shown in Appendix A of the Audit Charter, has been reviewed by the Council's Equalities team and determined that it does not need to go to an EIA Panel due to the high level of this document and the lack of equalities implications.
25. In summary, the Charter has been considered in light of all protected characteristics and will ensure that Internal Audit reviews Council services to ensure that they are operating efficiently and safeguarding public resources, supporting the council to support vulnerable people from across a range of protected characteristics.
26. No negative equality impacts have been identified; however, all internal processes are considered with regard to equality and fairness and adhere to global standards and best practice.

Summary of risk assessment

27. Non-compliance with the Global Internal Audit Standards (GIAS), the Application Note for the Global Internal Audit Standards in the UK Public Sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government risks that the Internal Audit function do not provide an effective and efficient internal audit service and do not comply with legislation. There is a risk that key risk, governance and control weaknesses in the Council are not identified.

Background papers

None

Appendices

Appendix 1 – GIAS Action Plan

Appendix 2 - Internal Audit Charter 2025/26

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Action Plan showing 'Required' Actions to achieve full conformance with the GIAS

Note – a number of 'desirable' actions are included in a wider action plan

Standard	Assessment (February 2025)	Action	Required / Desirable	By when?
Domain II – Ethics & Professionalism				
1.1 Honesty & Courage	Whilst some new requirements have been added to the Audit Manual as part of the preparation for GIAS, a full update, including links to specific standards, has not yet been carried out.	Update Audit Manual with reference to new standards including ethical requirements	Required	June 2025
3.1 Competency, Domain IV - 10.2 Human Resources Management	The competencies and professional development of auditors is evaluated and supported in a number of ways, including professional qualifications, training, supervision of audits, 1-2-1s, feedback questionnaires, objective monitoring and appraisals. However, there is no specific and personal assessment against the IIA's competency framework as newly required by the GIAS for each auditor.	Undertake assessments against the competency framework for all auditors and ensure the outcomes are used to identify necessary support and training.	Required	June 2025
Domain III – Governing the Internal Audit Function				
Introduction, 6.1 Mandate, 6.2 Charter, 6.3 Board & Senior Management support, 7.1 Organisational Independence	Whilst senior management is intrinsically involved in shaping the scope and remit, for example, through the Constitution (particularly Financial Regulations), line management of the Chief Internal Auditor by the Head of Finance, and participation in the Statutory Officer Group, there is no formal, documented consideration of the requirements of the GIAS, including the following areas: <ul style="list-style-type: none"> Requirements of Domain III Support of the Mandate Agreement of Charter Support of Internal Audit function Chief Internal Auditor's independence 	Consider and document, in conjunction with senior management*, the enhancements required to current arrangements in relation to the GIAS as they apply to BCP Council, including: <ul style="list-style-type: none"> Requirements of Domain III Support of the Mandate Agreement of the Charter Support of the Internal Audit function Chief Internal Auditor's independence <p><i>* Note – this should include who is meant by senior management in this scenario e.g. the Chief Executive or other named officer/s, Statutory Officer Group, Corporate Management Board, etc.</i></p>	Required	June 2025
8.3 Quality, 12.2 Performance Management	A range of internal audit performance information is discussed with senior management, such as regular reports to Statutory Officer Group of audit issues and line management reporting to the Head of Finance – including against individual objectives and service plan. Additionally, key senior officers, including the Monitoring Officer, are requested to comment on draft reports to Audit &	Consult with senior management* to determine their involvement in internal audit's performance management including: <ul style="list-style-type: none"> Receiving reports on quality assessments Input into performance objectives Participation in the annual self-assessment 	Required	June 2025

Standard	Assessment (February 2025)	Action	Required / Desirable	By when?
	Governance Committee, which contain formal performance monitoring. However, senior management's involvement in internal audit's performance management arrangements, including reporting requirements, quality assessments, formal input into performance objectives setting and other considerations have not been formally documented and agreed.			
8.4 External Quality Assessments	Senior management was not explicitly involved in the discussions to determine the scope and frequency of the external assessment, although there has been informal involvement through the line management of the Chief Internal Auditor.	Senior management* will be formally consulted regarding the scope and frequency of external assessments	Required	April 2026
Domain IV – Managing the Internal Audit Function				
9.2 Internal Audit Strategy	The strategy is agreed with Audit & Governance Committee as part of the Audit Charter, however, this is not formally reviewed with senior management.	Review the Internal Audit Strategy with senior management*	Required	June 2025
11.3 Communicating Results	A Power Bi report has been developed showing underlying themes of recommendations but has yet to be built into audit planning or reported to Audit & Governance.	Include recommendation themes into audit planning and report to Audit & Governance Committee as part of the Chief Auditor's Annual Report	Required	July 2025
Domain V – Performing Internal Audit Services				
13.2 Engagement Risk Assessment, 13.4 Evaluation Criteria	Whilst service's own performance management and measurements against objectives would normally be considered as part of an audit, there is no formal prompt to demonstrate this has been considered.	Include use of service performance management and measurements against objectives on the Planning Checklist and in the Audit Manual. Give consideration as to whether this needs to be specifically included as a prompt on working papers.	Required	Sept 2025
13.2 Engagement Risk Assessment	Whilst audit planning considers previous audit engagements, there is only a limited library of previous work programmes.	Establish a library of standard work programmes which can be used as a starting point for future audits.	Required	Sept 2025
14.3 Evaluation of Findings	Whilst the causes of issues identified during audits are normally considered, formal root cause analysis is not carried out.	Establish a methodology for undertaking root cause analysis, how this be recorded and if/how this will be reported.	Required	Sept 2025
Topical Requirements				
Topical Requirements	Topical requirements are a new feature with which we will need to comply when the detailed guidance is released. <i>Note – the topical requirement for Cybersecurity has just been issued.</i>	Establish a process to ensure that all Topical Requirements are considered as part of all relevant audits and include this as part of the Audit Manual and standard documentation.	Required	Sept 2025

Internal Audit Charter 2025/26

Live from 1 April 2025

Annual evolution changes to this Charter are shown in red text each year

Internal Audit

Author: Simon Milne & Ruth Hodges, Deputy Chief Internal Auditors,
James Cranston, Audit Manager
Version: 1st April 2025 v1
Review Date: March 2026



1. Purpose of the Internal Audit Charter

- 1.1 The Internal Audit Charter is required as part of the Global Internal Audit Standards (GIAS) which provide worldwide professional practice for internal auditing. For UK Local Authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) have the authority for setting standards for internal audit. The Internal Audit Charter also adheres to the requirements set out by CIPFA in the following documents (as amended):
- Application Note for the Global Internal Audit Standards in the UK Public Sector.
 - Code of Practice for the Governance of Internal Audit in UK Local Government.
 - Position Statement: audit committees in local authorities and police.
 - The role of the head of internal audit.
 - Developing an effective assurance framework in a local authority.
- 1.2 The Internal Audit Charter includes the:
- Purpose of Internal Auditing;
 - Commitment to adhering to the Global Internal Audit Standards;
 - Mandate, including scope and types of services, Audit & Governance Committee and senior management responsibilities, expectations and support;
 - Organisational position and reporting relationships.
- 1.3 The Internal Audit Charter is divided into five Domains outlined in the GIAS which are as follows (Appendix G):
- Domain I: Purpose of Internal Auditing.
 - Domain II: Ethics and Professionalism.
 - Domain III: Governing the Internal Audit Function.
 - Domain IV: Managing the Internal Audit Function.
 - Domain V: Performing Internal Audit Services.

2. Who the Charter applies to

- 2.1 The Charter applies to employees (particularly those within Internal Audit), Senior Management, Statutory Officers and Councillors (particularly those on the Audit & Governance Committee).

3. This Charter replaces

- 3.1 This Charter replaces the Internal Audit Charter 2024.

4. Approval process

- 4.1 This Charter requires approval by the Audit and Governance Committee, following consultation with senior management. All significant changes will be approved by Audit & Governance Committee. Any minor changes relating to clarification or wording, will be approved by the Chief Internal Auditor (CIA) and reported to Audit & Governance Committee annually.
- 4.2 The Internal Audit Charter and Mandate will be reviewed by Internal Audit. It will be reviewed at least annually or when changes are required resulting from, for example:
- significant changes to the Global Internal Audit Standards
 - significant reorganisation within the organisation
 - significant changes to the role of the CIA, Audit & Governance Committee, and/or senior management
 - significant changes to BCP Council strategies, objectives, risk profile, or the external environment in which it operates
 - new laws or regulations that may affect the nature and/or scope of internal audit services

5. Links to Council Strategies

- 5.1 The Internal Audit Charter supports the successful delivery of all the BCP Council's objectives, vision and ambitions articulated in the Corporate Strategy, other Key Council Strategies, policies and plans.

6. Internal Audit – Purpose and Mandate (Domain I and Domain III)

Purpose

- 6.1 The purpose of the Internal Audit function is to strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 6.2 The Internal Audit function enhances BCP Council's:
- Successful achievement of its objectives
 - Governance, risk management and control processes
 - Decision-making and oversight
 - Reputation and credibility with its stakeholders
 - Ability to service the public interest
- 6.3 BCP Council's Internal Audit function will be delivered effectively by ensuring:
- It is performed by competent professionals in conformance with the Global Internal Audit Standards
 - The Internal Audit team is independently positioned with direct accountability to the board (at BCP Council, this is the Audit & Governance Committee)
 - Arrangements are in place to ensure its Internal Auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

- 6.4 BCP Council's Internal Audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The CIA will report at least annually to Audit & Governance Committee and senior management regarding the Internal Audit function's conformance with the Standards, which will be assessed through the Quality Assurance and Improvement Program (QAIP).

INTERNAL AUDIT MANDATE (*Standard 6.1*)

Authority

- 6.5 BCP Council's Internal Audit function mandate is found is contained with the following:

Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024

- 6.6 Regulation 5 of the Accounts and Audit Regulations 2015 requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and taking into account public sector internal auditing standards or guidance.” The Regulations also add that authorities are to “make available such documents and records and supply such information and explanations as are considered necessary by those conducting the internal audit”.

Local Government Act 1972

- 6.7 Internal Audit also assists the Section 151 Officer (Chief Finance Officer) in discharging their delegated responsibilities under Section 151 of the Local Government Act 1972 which requires the Council to “make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.

BCP Council Constitution (Including Financial Regulations)

- 6.8 Part E (Internal Control, Audit and Risk Management) of the Council’s Financial Regulations supports the authority given by Accounts and Audit Regulations 2015 and the Local Government Act 1972.
- 6.9 Part B Section 12 of the Financial Regulations states that “The CIA has rights of access to all Council premises, property, information and data held by officers or councillors of the Council at all reasonable times and is responsible for the overall co-ordination and deployment of external and internal audit resources at the Council. The CIA also has the right to report on any relevant matter of concern to senior management and councillors of the Council outside normal line management arrangements should he/she deem this necessary in protecting the interests of the Council and/or local taxpayers.”
- 6.10 For clarity, the above authority may extend to partner organisations if required.

Responsibilities

Chief Internal Auditor (CIA)

- 6.11 The ‘chief audit executive’ is defined in the GIAS as “the leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with GIAS”. At BCP Council, this role is known as the Chief Internal Auditor (as part of the role of the Head of Audit & Management Assurance).
- 6.12 The CIA is designated by the Chief Finance Officer (CFO) as part of the Service Scheme of Delegation of the Council’s Constitution and plays a key role in providing assurance to Councillors, the CFO, the Head of Paid Service (HPS) and the Statutory Officers Group about the probity, practical deployment and effectiveness of financial management of the Council.
- 6.13 The CIA is responsible for:
- Managing the Internal Audit Service and determining the scope and methods of audit activity.
 - Ensuring that Internal Audit staff operate within current auditing and ethical standards of the professional bodies of which Internal Audit are members.
 - Ensuring Internal Audit staff have an impartial, unbiased attitude and avoid conflicts of interest.
 - Preparing an Internal Audit Charter and annual Internal Audit Plan in consultation with the Audit and Governance Committee for approval.
 - Ensuring that the Internal Audit Service is appropriately resourced in terms of numbers, grades, qualification levels and experience to meet its objectives.
 - Ensuring a system of audit work supervision is in place.
 - Ensuring effective liaison between Internal and External Audit functions.
 - Providing an annual opinion on the overall adequacy and effectiveness of the Council’s control environment for Councillors’ consideration.
 - Notifying External Audit of any matter that they would rightly expect to be informed of in order to support the function of an effective and robust external audit service.

- Determining the nature of any investigation work required in respect of any allegation of wrongdoing, and/or any other action required.
- Requiring any Councillor or staff of the Council to provide any information or explanation needed in the course of an investigation subject to the lawful limits set out in relevant legislation.
- Referring investigations to the Police in consultation with the CFO and Monitoring Officer (MO); under normal circumstances the relevant service manager would also be consulted.
- Referring cases directly to the Police, in consultation with the CFO and MO, if it is believed an internal enquiry would compromise the integrity of the investigation and /or otherwise prejudice the interests of the Council or the general public.

Audit and Governance Committee

- 6.14 For the purpose of the GIAS, the Council's Audit and Governance Committee is as the 'Board' defined by the standards.
- 6.15 Audit and Governance Committee provides independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of BCP Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place. In line with the CIPFA Position Statement: audit committees in local authorities and police (as amended), there are two independent members of the Audit & Governance Committee.
- 6.16 The Audit and Governance Committee are responsible for the following (please see their Terms of Reference for a full list of responsibilities):
- To approve the Internal Audit Charter.
 - To approve the risk-based Internal Audit Plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
 - To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.
 - To consider reports from the Head of Internal Audit on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) regular reports on the results of the Quality Assurance Improvement Programme (QAIP)
 - c) reports on instances where the internal audit function does not conform to the GIAS and LGAN (now the Application Note for the Global Internal Audit Standards in the UK Public Sector), considering whether the non-conformance is significant enough that it must be included in the AGS.
 - To consider the Head of Internal Audit's annual report, with specific reference to:
 - a) The statement of the level of conformance with the GIAS and LGAN (now the Application Note for the Global Internal Audit Standards in the UK Public Sector), and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
 - To consider summaries of specific internal audit reports as scheduled in the forward plan for the Committee or otherwise requested by Councillors.
 - To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every 5 years.
- To commission work from the Internal Audit Service with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee.
- To consider the arrangements for corporate governance including reviews of the Local Code of Corporate Governance and review and approval of the Annual Governance Statement (AGS).
- To consider arrangements for risk management including the approval of the Risk Management Strategy and review of the Council's corporate risk register.
- To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the governance and assurance arrangements for significant partnerships or collaborations.
- To consider arrangements for counter-fraud and corruption, including 'whistle-blowing' including approval of the Anti-Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy.

Chief Finance Officer, Section 151 Officer (CFO)

6.17 The CFO (S151) will be responsible for:

- Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutes, regulations, and other relevant statements of best practice.
- Conducting an annual review of the effectiveness of the system of internal control and publishing the results of this within the AGS for inclusion in the Council's Annual Statement of Accounts.
- Maintaining an adequate and effective Internal Audit Service in accordance with the Accounts and Audit (Amendment) Regulations Act 2021 and further to Section 151 of the Local Government Act 1972.
- Ensuring that the rights and powers of Internal and External Auditors and fraud investigators are upheld at all times across the organisation.
- Ensuring that the statutory requirements for External Audit are complied with and that the External Auditor is able to effectively scrutinise the Council's records.
- Ensuring that audit plans and resulting activities are reported to the Audit and Governance Committee.
- Developing, maintaining and implementing an Anti-Fraud and Corruption Policy (and, in conjunction with Human Resources, a Whistleblowing Policy) that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.
- Advising on the controls required for fraud prevention and detection.
- Appointing a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.
- Ensuring that effective preventative measures are in place to reduce the opportunity for bribery occurring in accordance with statutory requirements of the Bribery Act.
- Preparing the Council's Risk Management Strategy and its promotion throughout the Council and for advising on the management of strategic, financial and operational risks

Senior Management

6.18 For the purpose of the GIAS, senior management is defined as the strategic leadership teams. In BCP Council this includes Directors, Corporate Directors, Chief Executive and the following

groups: the Corporate Management Board (CMB) and Directors Strategy Group (DSG) and Statutory Officer Group (SOG).

- 6.19 Where appropriate to do so this Charter will specify which Senior Management group a particular item refers to.

Managers and employees

- 6.20 Managers and employees are responsible for:
- Implementing effective systems of internal control including adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.
 - Complying with controls set down in the Financial Regulations and other financial procedures
 - Taking corrective action in respect of any non-compliance by staff with relevant rules, regulations, procedures and codes of conduct.
 - Planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their objectives, standards and targets.
 - Ensuring that auditors (Internal and External) have access to all documents and records for the purposes of the audit and are afforded all facilities, co-operation and explanation deemed necessary.
 - Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
 - Implementing audit recommendations within agreed timescales
 - Ensuring the proper security and safe custody of all assets under their control.
 - Reporting cases of suspected cases of fraud or irregularity to the CIA immediately for investigation and complying with the Council's Whistleblowing Policy.
 - Complying with the Council's Anti-Fraud and Corruption Policy.
 - Ensuring that there are sound systems of internal control within their respective service areas for fraud prevention and detection.
 - Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.
 - Maintaining local staff registers of interests, gifts and hospitality within their service areas.

Organisational Independence, Organisational Position and Reporting Relationships (Standard 7.1)

- 6.21 The BCP Council Internal Audit Service structurally sits within the Audit & Management Assurance Team within Finance. The CIA reports administratively to the CFO (S151), reports to the Audit and Governance Committee on at least a quarterly basis and meets independently with the Chair of the Audit & Governance Committee as necessary.
- 6.22 The CIA (and DCIAs when overseeing the areas outlined in 7.8) has direct access and freedom to report in their name and without fear or favour to all officers, Senior Management and Councillors (including the Chair of the Audit and Governance Committee) and particularly to those charged with governance, which supports the independence and objectivity of the Internal Audit function.
- 6.23 The CIA will report annually in their own right to the CFO (S151) and the Audit and Governance Committee that independence and objectivity has been maintained. If this is not the case, disclosure will be made; this, for example, may be as a result of resource limitations, conflicts of interest or restricted access to records.
- 6.24 Prior to the appointment of any new CIA, the job ua, remuneration and performance evaluation process will be reviewed by the Audit & Governance Committee.

Quality Assurance and Improvement Program (QAIP) (*Standard 8.3 – Also see Standard 8.1, 8.4, 12.1-12.3*)

- 6.25 The Internal Audit function has developed, implemented and maintains a Quality Assurance and Improvement Program (QAIP) that include external and internal assessments of the function's conformance with the GIAS, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The QAIP can be found in Appendix H.
- 6.26 At least annually, the CIA will report the outcomes of the QAIP to the Audit & Governance Committee including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.
- 6.27 External assessments will be conducted at least once every five years by a qualified, independent assessor

Scope and Types of Internal Audit Services

- 6.28 Our Internal Auditing responsibilities apply to all BCP Council directorates/services. Internal Audit also have charged services for external partners/organisations. Any new charged services will be agreed by the CIA and reported to the Audit & Governance Committee.
- 6.29 The scope and objectives of the Internal Audit Service is to:
- Provide independence assurance on the adequacy and effectiveness of Governance, Risk Management and Control processes to support the delivery of BCP Council's strategic objectives.
 - Appraise and report on the adequacy of internal controls across the whole organisation as a contribution to the proper, economic, efficient, sustainable and effective use of resources. This includes:
 - i. the completeness, reliability and integrity of information, both financial and operational,
 - ii. the systems established to ensure compliance with policies, plans, procedures, laws and regulations,
 - iii. ensuring Officers, Senior Managers, Councillors and Contractors comply with policies, plans, procedures, laws and regulations,
 - iv. the extent to which assets and interests are accounted for and safeguarded from loss,
 - v. delivery of services are undertaken in an ethical and equitable manner
 - vi. the economy, efficiency, sustainability and effectiveness with which resources are employed, and
 - vii. whether operations are being carried out as planned and objectives and goals are being met.
 - Promote good governance arrangements and monitor progress made against governance actions.
 - Support the risk management process within the Council.
 - Advise on internal controls, risks or governance arrangements.
 - Support where necessary on relevant corporate / service projects or reviews.
 - Add value through advice, facilitation and training (subject to there being no impact on core assurance work, the maintenance of independence and the availability of skills and resources).
 - Support the achievement of value for money.
 - Be proactive in countering fraud and corruption.
 - Provide a corporate fraud investigation service.
 - Support the work of the Audit and Governance Committee.
 - Provide assurance over the financial operation of the Council's maintained schools.
 - Provide assurance on government funds allocated to nurseries, pre-schools and childminders.
 - Provide an Internal Audit service for partnerships as directed by the Council.

- Provide grant certification work as directed by the Council and/or external bodies.
- Where agreed, undertake audits of the Council's arm's length organisations and companies.

- 6.30 The detailed work of Internal Audit is set out within the risk based Internal Audit Plan which is designed to support the BCP Council's Chief Internal Auditor's Annual Internal Audit Opinion and Council's Annual Governance Statement (AGS).
- 6.31 Where Internal Audit are providing services for a third party, the scope will be agreed between the CIA and the third party. All Internal Audit work will be carried out in line with the BCP Council Internal Audit Charter.
- 6.32 In conducting its work, and if appropriate to do so, Internal Audit may choose to place reliance on the work of other assurance providers (e.g. External Audit, inspection agencies etc), to avoid duplication of effort and to maximise resources.
- 6.33 Internal Audit may undertake "Advisory Reviews", where Internal Audit will provide advice to the Council without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders.

7. Ethics and Professionalism (Domain II)

PRINCIPLE 1 DEMONSTRATE INTEGRITY

Honesty and Professional Courage (Standard 1.1), Organisation's Ethical Expectations (Standard 1.2), Legal and Ethical Behaviour (Standard 1.3)

- 7.1 It is critical that Internal Auditors maintain high standards of honesty, professional courage, ethical and legal behaviours, and as such, they will sign an annual declaration that they will comply with GIAS Domain II. Where members of the Internal Audit team have attained membership of the IIA or other professional bodies such as the Institute of Chartered Accountants in England and Wales (ICAEW) or CIPFA, they must also comply with their relevant bodies' ethical requirements.
- 7.2 All Internal Auditors will have regard to the "Seven Principles of Public Life", known as the Nolan Principles, which forms part of the BCP Council Code of Conduct Policy. The Council's Behavioural Framework, particularly "We have Integrity", highlights the organisation's ethical expectations, which are monitored through 1-2-1s and appraisals.
- 7.3 The Council's Induction process, mandatory training and values includes ethical behaviours and considerations. Those Internal Auditors who are members of the IIA are required to undertake ethical training annually.
- 7.4 Where an Internal Auditor's conduct does not comply with these standards or codes, disciplinary action may be taken, either by the Council or by the individual's professional body.
- 7.5 Where officer or Councillor behaviour in the organisation is inconsistent with the Council's ethical expectations, Internal Audit will act upon these in line with Council and Internal Audit protocol, reporting these to senior management and Audit & Governance Committee as appropriate.
- 7.6 Audit documentation and processes, including the Audit Manual, include methodologies designed to uphold integrity, such as documented management oversight, and ethics-based audits are included on the Internal Audit plan. Internal Audit regularly provide updates on ethical issues to the Audit & Governance Committee.

PRINCIPLE 2 MAINTAIN OBJECTIVITY

Individual Objectivity (*Standard 2.1*), Safeguarding Objectivity (*Standard 2.2*), Disclosing Impairments to Objectivity (*Standard 2.3*)

- 7.7 Internal Auditors must be seen to act independently and objectively at all times. As such, Declarations of Interest forms will be signed annually and updated as any potential conflict arises. These are reviewed by the CIA/DCIAs and any necessary safeguards put in place. Internal Audit staff will not ordinarily have any operational responsibilities or involvement in system design unless approved by the CIA, and will not audit operations for which they have had any responsibility within the previous year. Consideration will be given to declaration of interests and potential conflicts prior to allocation of work. The CIA's declaration of interests will be reported annually to the Audit & Governance Committee.
- 7.8 Functions including Health & Safety, Emergency Planning, Business Resilience, Risk Management and Insurance operate within the Audit & Management Assurance Section and are managed by the CIA. This presents an inherent conflict of interest risk for the CIA for the audit of those areas. Therefore, Internal Audit engagements of these areas will be overseen by the Deputy Chief Internal Auditor (DCIA).

PRINCIPLE 3 - DEMONSTRATE COMPETENCY

Competency (*Standard 3.1*)

- 7.9 Each role within the Internal Audit structure has a job description and person specification which includes skills, competencies and qualifications. All Internal Auditors will be assessed in line with the IIA's competency framework and, in line with Council policy, regular 1-2-1s and annual appraisals are held. Together with audit supervision, these help to develop training plans, which are regularly reviewed, monitored and agreed with officers. Training needs also take into account competency changes e.g. to reflect changing technology and legislation. New Auditors are required to undertake a relevant apprenticeship or professional qualification.
- 7.10 The performance appraisal of the CIA will be informed by feedback received from the Chair of Audit & Governance Committee.

Continuity Professional Development (CPD) (*Standard 3.2 & 7.2*)

- 7.11 The CIA will hold a professional qualification from the Chartered Institute of Internal Auditors (CMAA), Consultative Committee of Accountancy Bodies (CCAB) or equivalent. The CIA, DCIAs and Audit Managers are required to retain membership of their professional institute and undertake relevant CPD. All Auditors maintain a record of their continual professional development in line with their professional body.

PRINCIPLE 4 - EXERCISE DUE PROFESSIONAL CARE

Conformance with the Global Internal Audit Standards (*Standard 4.1 & 8.1*)

- 7.12 The Internal Audit team's policies and procedures, such the Internal Audit Manual, align with the GIAS. These are updated at least annually. Additionally, the Audit Management System and proforma documents, such as work programmes and reports, have been designed to ensure compliance.
- 7.13 Conformance is overseen on an individual basis as all engagements are subjective to a supervisory review and through individual objectives, 1-2-1 and appraisals. Additionally, an annual self-assessment against the GIAS is undertaken and an external assessment is undertaken at least once every five years. Results of these assessments are reported to Audit & Governance Committee. Action plans are produced for any areas of non-conformance or

enhancements required. Any areas of non-conformance (to the GIAS and/or the CIPFA application note) would be reported to Audit & Governance Committee highlighting alternative actions or rationale.

Due Professional Care (Standard 4.2)

- 7.14 Internal Auditors must exercise due professional care by considering:
- BCP Council's strategy and objectives
 - The interests of those for whom internal audit services provided and the interests of all stakeholders
 - Adequacy and effectiveness of governance, risk management and control processes
 - Cost relative to potential benefits of the internal audit services to be performed
 - Extent and timeliness of work needed to achieve the engagement's objectives
 - Relative complexity, materiality, or significance of risks to the activity under review
 - Probability of significant errors, fraud, non-compliance, and other risks that might affect objectives, operations, or resources
 - Use of appropriate techniques, tools, and technology
- 7.15 All Internal Auditors have an objective to complete audits to a professional standard, which is monitored through the Council performance monitoring process, including 1-2-1s and appraisals.
- 7.16 The Audit Manual, Audit Management System and proforma documentation guide the auditors to complete work at the required standard, and all audits are supervised by Audit Managers/DCIAs.
- 7.17 Performance measures for the Internal Audit function are in place through the QAIP (Appendix H).

Professional Scepticism (Standard 4.3)

- 7.18 The Internal Audit team undertake periodic training regarding professional scepticism. The Audit Manual expects auditors to escalate any potential fraud, irregularities, staff misconduct and breaches. All aspects of the audit process are documented and reviewed by Audit Managers/DCIAs.

PRINCIPLE 5 - MAINTAIN CONFIDENTIALITY

Use of Information – (Standard 5.1), Protection of Information (Standard 5.2)

- 7.19 All members of the Internal Audit team are required to undertake corporate mandatory training in Data Protection every 3 years, and this is covered in the Corporate Induction. Corporate policies, such as ICT Security Policy and Information Security Policy govern how information is controlled and can be used.
- 7.20 Access to IT systems has to be authorised and is restricted to view only where appropriate. Access to Mosaic is only permitted following a DBS check. Internal Audit data is maintained in line with the 'Internal Audit Data Retention & Disposal Schedule' and is retained in adherence to relevant laws and regulations. Access to the engagement records will be controlled. Distribution of audit reports are agreed with the client as part of the Terms of Reference. Any information requests, such as those made through Freedom of Information, must be channelled through the CIA. The Information Governance team will be consulted on the release of all records to external parties. Where final audit reports are released to external parties, a description of the limitations on distribution and use of the results will be included.

PRINCIPLE 9 - PLAN STRATEGICALLY

Understanding Governance, Risk Management and Control Processes (*Standard 9.1*)

- 8.1 Internal Audit adds value to the Council by considering strategic objectives, decision making, ethical framework, performance and risk management to offer ways to enhance governance, risk management, control processes and by providing objective assurance on these activities.
- 8.2 Internal Audit have produced an Assurance Framework (Appendix I) showing main sources and types of assurance within the Council using the Three Lines Model. Internal Audit use this to help plan coordinated assurance and coverage across the Council's activities.

Internal Audit Strategy (*Standard 9.2*)

- 8.3 The BCP Council Internal Audit Strategy (Appendix C) has been produced and is updated, at least annually, to ensure the Internal Audit function both supports the strategic success of BCP Council and continually develops to improve its quality, performance and efficiency. This includes opportunities to embrace new technology and ensure it is well positioned to respond to internal and external challenges. The Strategy is approved by Audit & Governance Committee and progress reported to them annually.

Methodologies (*Standard 9.3*)

- 8.4 The CIA maintains and regularly reviews an Audit Manual which details the methodologies to guide the Internal Audit function in line with required standards. This is supported by both the Audit Management System, which has been designed to ensure compliance with the methodologies and standards, and use of standard documentation. All Internal Audit staff have been trained on methodologies, including the use of the Audit Management System.

Internal Audit Plan (*Standard 8.1 & 9.4*)

- 8.5 The CIA develops an annual risk based Internal Audit Plan, which is updated at least quarterly to reflect changing risks and priorities of the organisation, and to enable the production of the annual internal audit opinion.
- 8.6 The Internal Audit Plan is based on documented assessments of the BCP Council's strategic objectives and risks, following consultation with Audit & Governance Committee and senior management (directors).
- 8.7 The plan will:
- Consider the Internal Audit Mandate
 - Include the range of Internal Audit services required, including fraud investigations, provision of advice, and maintenance of policies and procedures
 - Consider coverage of information technology governance, fraud, compliance and ethics, and high risk areas, including the need for specialist areas
 - Identify necessary human, financial and technological resources
 - Consider the breadth and depth of assurance required in order to provide the CIA's annual audit report and any limitations or restrictions
 - Consider a range of information sources (Appendix E).
- 8.8 The CIA reports the risk based Internal Audit Plan and resource requirements to the CFO (S151) and the Audit and Governance Committee annually for review and approval. Revisions to the audit plan, including impact on limitation of scope and access to information, exclusion of high-risk areas, and conflicting demands, will be reported to Audit & Governance Committee.

Coordination and Reliance (*Standard 9.5*)

- 8.9 The CIA will coordinate delivery of service with other assurance providers, for example, through regular liaison with external audit. Other sources of assurance are considered in the planning and scoping of audits.

PRINCIPLE 10 MANAGE RESOURCES

- 8.10 For the Internal Audit Service to fulfil its responsibilities, it must be appropriately resourced in terms of finance, human and technologically.

Financial Resource (*Standard 10.1*) and Human Resource Management (*Standard 8.2 & 10.2*)

- 8.11 The staff structure of Internal Audit function considers the numbers, professional qualifications, skills, experience and competencies required to deliver the mandate. These resources must be effectively deployed to achieve the approved risk-based plan. On-going training, appraisals and competency assessments are undertaken to ensure skills and competencies remain sufficient. (See paragraph 7.9 & 7.11)
- 8.12 The CIA reports to Audit & Governance Committee regarding the adequacy of financial (including budgets) and human resources to allow fulfilment of its responsibilities as part of annual audit plan, and as part of the Annual Audit Opinion. Regular updates are included as part of the Quarterly report. It is the responsibility of the CIA to report to the CFO (S151) and the Audit and Governance Committee on any resource concerns that may impact upon the delivery of the annual audit opinion.

- 8.13 If necessary, the CIA will engage additional (specialist) resources.

Technological Resources (*Standard 10.3*)

- 8.14 The CIA will ensure that auditors have access to the technology they require to undertake the role effectively, and that auditors receive training to effectively deploy IT. This is part of the Internal Audit Strategy and Data Analytics Strategy.

PRINCIPLE 11 COMMUNICATE EFFECTIVELY

Building Relationships (*Standard 11.1*) and Communicating with Stakeholders & Effective Communication (*Standard 11.2*)

- 8.15 The CIA has established effectively communication between the Internal Audit function and key stakeholders, both formal and informal. The include established reporting arrangements with Audit & Governance Committee and the CIA's attendance at the Statutory Officer Group. Meetings are held at least annually with directors as part of the annual audit planning process and regular updates are provided to directorate management.
- 8.16 The Audit Manual and standard documentation, including audit reports, help promote clear, accurate, objective and concise communication.

Communicating Results (*Standard 8.1 & 11.3*)

- 8.17 All audit reports (including audit opinions) are sent to the relevant Corporate Director (who are members of the Corporate Management Board). All audit opinions are reported to Audit and Governance Committee on a quarterly basis. Audit reports with a "Minimal" assurance will be provided in full to the Audit & Governance Committee and "Partial" assurance audit reports will be provided in a summary format. Members of the Audit and Governance Committee have access to all final audit reports.

- 8.18 Key themes are identified in audit recommendations. Power BI reports are used to detect patterns or trends from key themes. These are monitored by Internal Audit Management.

Errors and Omissions (Standard 11.4)

- 8.19 If final audit reports contain a minor error (an error which does not affect the assurance opinion level) then updated audit reports will be sent to all parties who received the original communication. Where final audit reports contain a significant error (an error that will change the assurance opinion level), the CIA (or delegated officer) will communicate the corrected information to all parties who received the original communication and report these instances to the Audit & Governance Committee.

Communicating the Acceptance of Risks (Standard 11.5)

- 8.20 Where management does not intend to address risks mitigated by High or Medium priority audit recommendations, there must be a request in writing to the CIA and the Statutory Officers Group to approve this. All accepted risks will be reported to Audit & Governance Committee (Appendix F).

PRINCIPLE 12 ENHANCE QUALITY

Internal Quality Assessment Standard (Standard 12.1) Performance Measurement (Standard 12.2)

- 8.21 The QAIP (Appendix H) details the quality standards and performance measures for the Internal Audit function, and how these will be determined and reported.

Oversee and Improve Engagement Performance (Standard 12.3)

- 8.22 The QAIP and the Audit Manual outline the methodologies to be used to oversee and improve engagement performance. These include engagement supervision and review over the whole audit process, including Audit planning (terms of reference), work programmes and working papers/testing, and reporting. Supervisory checks are evidenced and retained. Standard documentation and the Audit Management System support high performance.
- 8.23 The CIA retains the ultimate responsibility for quality and performance, but supervision and review is delegated to DCIAs and Audit Managers.

9. Performing Internal Audit Services (Domain V)

PRINCIPLE 13 – PLAN ENGAGEMENTS EFFECTIVELY

Engagement Communication (Standard 13.1)

- 9.1 For all audit engagements (including engagements for external parties and consulting engagements) a terms of reference will be prepared, discussed and agreed with relevant managers.

Engagement Risk Assessment (Standard 13.2)

- 9.2 Audit work is undertaken using a risk-based audit approach, which will consider the probability of significant errors, fraud and non-compliance. A preliminary risk assessment will be prepared for each audit engagement to consider the organisation's and activity's strategies and objectives, the risks and significance of the activity not meeting its objectives, the effectiveness of governance, risk management and control processes. Other considerations will be given to (but not limited to) organisational structure, legal & regulatory requirements, relevant frameworks, performance monitoring & management information, best practice or relevant guidance, process documentation, systems, records, personnel, premises and relevant action plans (Appendix E).

- 9.3 Where topical requirements are relevant, Internal auditors must comply with the relevant requirements when the scope of an engagement includes one of the identified topics or provide an explanation as to why these have not been included.

Engagement and Scope (Standard 13.3)

- 9.4 The engagement objectives will be based on the results of the engagement's risk assessment and are documented in the scope of the engagement's terms of reference. The terms of reference should establish the objectives, scope and timing for the audit assignment and its resources and reporting requirements.
- 9.5 The scope of any engagements will be sufficient to address the objectives. However, if there are any reservations regarding the scope during an engagement, these will be raised with the client and the CIA (or delegated officer) to determine if the scope needs to be amended. Internal Audit hold the right to amend the scope of an engagement as necessary and where a limitation of scope during a review is required, this will be done in consultation with the auditee and will be reported appropriately. Amendments to scope and limitations of scope will be agreed with the DCIA(s).
- 9.6 The use of Data Analytics will be considered for all audit engagements in line with the Internal Audit Data Analytic Strategy (Appendix D).

Engagement Resources (Standard 13.5)

- 9.7 Engagements will be allocated and carried out by Internal Auditors with the right mix of knowledge and skills to effectively complete the engagement, relative to its nature and complexity. Auditors will be given sufficient resources to undertake the engagement.

Engagement Evaluation Criteria (Standard 13.4) and Work Programme (Standard 13.6)

- 9.8 Work programmes will be developed based on the risk assessment (including planning processes) and the engagement's objectives. Work programmes are completed within the Audit Management System and will include the methodologies for identifying, analysing, evaluating and documenting the audit testing to achieve the engagement's objectives. The auditor assigned to each test will also be documented.
- 9.9 Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope. For advisory services, the identification of evaluation criteria may not be necessary, depending on the agreement with relevant stakeholders. Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals.

PRINCIPLE 14 CONDUCT ENGAGEMENT WORK

Gathering Information for Analyses and Evaluation (Standard 14.1) and Engagement Documentation (Standard 14.6)

- 9.10 During engagements Internal Auditors will obtain information that is relevant, reliable and sufficient to achieving the objectives of the engagement. Supporting documentation will be collated to support the results of the engagement.
- 9.11 Internal Audit testing will be carried out and documented sufficiently to allow a prudent internal auditor or competent person to be able to repeat the work and derive to the same result.

Analyses and Potential Engagement Findings (Standard 14.2) and Evaluation of Findings (Standard 14.3)

- 9.12 Auditors are required to identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives. This evidence supports their findings, conclusions, professional judgements and recommendations and therefore must be factual and accurate.

- 9.13 Each audit engagement will be overseen by the relevant Audit Manager. When evaluating engagement findings Auditors will aim to establish the root cause when possible.
- 9.14 To determine the significance of the risk, internal auditors must consider the likelihood of the risk occurring and the impact the risk may have on the Council's governance, risk management, or control processes.

Recommendations and Action Plans (Standard 14.4)

- 9.15 Contents of draft reports (including findings, recommendations, risks, opinion and finding priorities) are discussed with relevant managers to confirm factual accuracy. Significant issues will be brought to the attention of management during the course of engagements to allow for immediate action.
- 9.16 Managers are required to give timely responses to each recommendation including the responsible officer for each action and the target date for completion. Management responses are reviewed by the relevant Internal Audit Manager to ensure that actions will mitigate risks to an acceptable level and within an acceptable timeframe.
- 9.17 If there are any disagreements between internal audit and management regarding the draft report in terms of findings, recommendations, priority and assurance opinion, internal audits will discuss these with management in the first instance to try to resolve, after which the audit escalation process will be followed to ensure that a resolution is determined (Appendix F). Internal auditors must not be obligated to change any portion of the engagement results unless there is a valid reason to do so
- 9.18 Below provides a description of the three priority levels given to recommendations, together with an expected timeframe for implementation; the framework for scoring recommendations is contained within the audit manual.

Priority	Description
High	<p>High priority recommendations have actual / potential critical implications for achievement of the Service's objectives and/or a major effect on service delivery. Agreed actions should be urgently implemented by the Service within 3 months* of the issue of the final audit report and the associated risk(s) added to the Service Risk Register.</p> <p><i>Recommendations will be followed up by Internal Audit as they fall due.</i></p>
Medium	<p>Medium priority recommendations have actual / potential significant implications for achievement of the Service's objectives and/or a significant effect on service delivery. Agreed actions should be implemented by the Service within 9 months* of the issue of the final audit report and formal consideration should be given to adding the associated risk(s) to the Service Risk Register.</p> <p><i>Recommendations will be followed up by Internal Audit as part of the next audit review or within six months after the implementation due date (whichever is sooner). Where a revised target date has been agreed, this will be followed up by Internal Audit as the recommendation falls due.</i></p>
Low	<p>Low priority recommendations have actual / potential minor implications for achievement of the Service's objectives and/or a minor effect on service delivery.</p> <p>It rests with the Service to implement these actions.</p> <p><i>Recommendations will not be routinely followed up by Internal Audit, however, action taken to implement may be assessed on an ad hoc basis.</i></p>

*It may be necessary in exceptional circumstances to agree implementation dates beyond the stated timescales above, in which case these exceptions must be approved by the DCIA/CIA.

Engagement Conclusions (Standard 14.5) and Final Engagement Communication (Standard 15.1)

- 9.19 Draft and final report will contain the objectives, scope, all material facts, conclusions, recommendations, action plans, and any limitations. An Internal Auditor's Opinion regarding the effectiveness of the governance, risk management and/or control process of the activity under review will be given. The Council's opinion levels are detailed in the table below:

Opinion	Description
Substantial Assurance	There is a sound control framework which is achieving the service objectives, there were no identified weaknesses and key controls were being consistently applied.
Reasonable Assurance	There is basically a sound control framework, however there are / may be 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.

- 9.20 Reports will be issued in a timely manner, in accordance with the Terms of Reference, subsequent to the completion of the work programme. Any significant variance in the timeframe for the report being issued will be agreed by the CIA or DCIA.
- 9.21 Where management has initiated or completed recommendations/actions to address a finding before the final report is issued, the action taken will be noted within the final report.
- 9.22 The CIA has the overall responsibility for reviewing and approving the final engagement communication. However, Audit Managers are delegated this duty in most instances. Final Reports will be communicated to the correct officers/Councillors to ensure that the results are given due consideration.
- 9.23 Final engagement communication may be in the form of an email where considered appropriate; however, this will be agreed with the CIA or DCIA before issuing.
- 9.24 Where a non-conformance to the GIAS impacts on a specific audit engagement, then the communication of the results must disclose the:
- Standard or rule with which full conformance was not achieved.
 - Reasons for non-conformance.
 - Impact of non-conformance on the engagement and the results.
- 9.25 Instances of non-conformance will be reported to the Audit and Governance Committee.

PRINCIPLE 15 COMMUNICATE ENGAGEMENT RESULTS AND MONITOR ACTION PLANS

Confirming the Implementation of Recommendations or Action Plans (Standard 15.2)

- 9.26 High and medium priority recommendations will be follow-up within the timescales outlined in 9.19 to ensure that management actions have been effectively implemented or that Senior Management has accepted the risk of not taking action.

- 9.27 Non-implemented or acceptance of risk audit recommendations will follow the Internal Audit escalation process. (Appendix F).

10. List of Appendices

Appendix A – Equality Impact Assessment

Appendix B – Glossary

Appendix C – Internal Audit Strategy

Appendix D – Data Analytics Strategy

Appendix E – Information sources to determine scope of an audit

Appendix F – Follow Up and Escalation Process

Appendix G – Global Internal Audit Standards Domains

Appendix H – Internal Audit Quality Assurance and Improvement Programme

Appendix I – Internal Audit Assurance Framework

Appendix J – Consultees and document control

Appendix A

Equality Impact Assessment: Conversation Screening Tool

The Council is legally required by the Equality Act 2010 to evidence how it has considered its equality duties in its decision-making process.

The Council must have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to -

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

A link to the full text of [s149 of the Equality Act 2010](#) which must be considered when making decisions.

1	What is being reviewed?	Internal Audit Charter 2025/26
2	What changes are being made?	A new Internal Audit Charter has been developed to comply with the <i>Global Internal Audit Standards</i> and <i>CIPFA application note: Global Internal Audit Standards in the UK Public Sector</i> .
3	Service Unit:	Finance
4	Participants in the conversation:	Ruth Hodges, Deputy Chief Internal Auditor James Cranston, Internal Audit Manager Sophie Bradfield, Principal Policy & Strategy Officer Jon Cockeram, Service Equality Champion
5	Conversation date/s:	03/02/2025 and subsequent conversations as the Charter was developed.
6	Do you know your current or potential client base? Who are the key stakeholders?	The Audit Charter will affect employees (particularly those within Internal Audit), Members and Statutory Officers. Data for the following staff equality characteristics were obtained and considered; age, gender, gender identity, disability, ethnicity, marriage and civil partnerships, religious belief, and sexual orientation, and no equalities implications for this charter were identified upon review. It was noted that there is no requirement for staff to complete their equalities information on the Dynamics system. Whilst efforts have been made to persuade staff to do so, there are differing completion levels for each different characteristic. This is

		<p>something HR are aware of and are actively trying to come up with suitable solutions to address.</p> <p>Councillor gender characteristics were obtained and considered. It should be noted that there is no comprehensive list of equality data for Councillors. Whilst Councillors are asked for details of age, gender etc upon election, the majority do not provide a response, with only ~25% providing the information. Democratic services are aware of this issue and are actively seeking solutions to address this. The only known characteristic is gender, and no equality implications for this charter were identified upon review.</p>
7	Do different groups have different needs or experiences?	<p>People with disabilities (visual or mental health) may have difficulty accessing Internal Audit documentation including reports and this Charter, however alternative formats for documentation are available on request.</p> <p>All other protected characteristics have been considered, and no different needs or experiences have been identified.</p>
8	Will this change affect any service users?	The Charter lays out the purpose, roles, responsibilities and authority of Internal Audit, the Chief Internal Auditor, the Audit and Governance Committee, the Section 151 Officer and managers & employees.
9	What are the benefits or positive equality impacts of the change on current or potential users?	The Charter will ensure that Internal Audit reviews Council services to ensure that they are operating efficiently and safeguarding public resources, supporting the Council to support vulnerable people from across a range of protected characteristics.
10	What are the negative impacts of the change on current or potential users?	No negative equality impacts have been identified.
11	Will the change affect employees?	Yes, the Charter affects employees by laying out their roles & responsibilities in relation to Internal Audit, however as mentioned above this will not have any equality impacts.
12	Will the change affect the wider community?	This Charter does not affect the wider community.
13	What mitigating actions are planned or already in place for those negatively affected by this change?	No negative equality impacts have been identified, so no mitigating actions required.
14	Summary of Equality Implications:	<p>The Charter has been considered in light of all protected characteristics and will ensure that Internal Audit reviews Council services to ensure that they are operating efficiently and safeguarding public resources, supporting the council to support vulnerable people from across a range of protected characteristics.</p> <p>No negative equality impacts have been identified; however, all internal processes are considered with regard to equality & fairness and adhere to global standards and best practice.</p>

Appendix B

GLOSSARY & ACRONYMS

Acceptance of Risk - A concept where a risk is rendered acceptable, thereby deciding to not reduce or mitigate it.

Advisory Services – Services through which internal auditors provide advice to the Council without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. “Advisory services” are also known as “consulting services.”

Annual Governance Statement – The purpose of the Annual Governance Statement is for the Council to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. This includes how the authority has monitored and evaluated the effectiveness of its governance arrangements in the year.

Annual Internal Audit Opinion - The rating, conclusion, and/or other description of results provided by the Chief Internal Auditor addressing, at a committee level, governance, risk management, and/or control processes of the Council. An overall opinion is the professional judgment of the Chief Internal Auditor based on the results of a number of individual engagements and other activities for a specific time interval.

Assurance activity - Services through which internal auditors perform objective assessments to provide assurance.

Audit Engagement - A specific internal audit assignment or project that includes multiple tasks or activities designed to accomplish a specific set of related objectives.

Audit & Governance Committee – Highest-level body charged with governance. It is the Council's Committee that provide the internal audit function with the appropriate authority, role, and responsibilities. Regarding the Global Internal Audit Standards, The Audit & Governance Committee act as the “Board”.

Audit Management System (AMS) – The Internal Audit Teams application designed to help the team plan, execute, and monitor audit processes efficiently.

CCAB – Consultative Committee of Accountancy Bodies - An umbrella group comprising several chartered professional bodies of British qualified accountants.

CFO – Chief Finance Officer (Also Section 151 Officer) – Responsible for making arrangements for the proper administration of the Council's financial affairs.

Chief Internal Auditor (CIA) – For the purposes of the Global Internal Audit Standards, the Chief Internal Auditor acts as the Chief Audit Executive. The Chief Internal Auditor is The Head of Audit & Management Assurance in BCP Council.

CIPFA – Chartered Institute of Public Finance and Accountancy.

Competency Framework - The IIA's Internal Audit Competency Framework provides a clear and concise professional development plan for internal auditors.

CMIIA – Chartered Member of the Institute of Internal Auditors.

Control Environment - The attitude and actions of the Committees and management regarding the importance of control within the Council. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes integrity and ethical values, management's philosophy and operating style, organisational structure, assignment of authority and responsibility, human resource policies and practices and competence of personnel.

Controls (Also Internal Controls) - Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

DCIA – Deputy Chief Internal Auditor.

Factual Accuracy – Refers to the precision and correctness of the information and findings reported by the auditor. Ensuring factual accuracy means that all observations, conclusions, and recommendations are based on verified and reliable data.

Financial Regulations - Provide the governance framework for managing the Council's financial affairs

Global Internal Audit Standards (GIAS) - The Institute of Internal Auditors' Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

Governance - The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the Council toward the achievement of its objectives.

ICAEW - Institute of Chartered Accountants in England and Wales.

IIA - Chartered Institute of Internal Auditors - The professional association for internal auditors in the UK and Ireland.

Impact - The result or effect of an event. The event may have a positive or negative effect on the entity's strategy or business objectives.

Internal Audit Charter - A formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of services, and other specifications.

Internal Audit Mandate - The internal audit function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations.

Internal Audit Opinion - A formal statement provided by internal auditors that assesses the adequacy and effectiveness of the Council's governance, risk management, and internal control processes.

Internal Audit Plan (Risk-based Internal Audit Plan) - A document, developed by the Chief Internal Auditor, that identifies the engagements and other internal audit services anticipated to be provided during a given period.

Internal Audit Strategy – a plan of action designed to achieve a long-term or overall objective including a vision, strategic objectives, and supporting actions.

LGAN – Local Government Application Note, now the CIPFA application note: Global Internal Audit Standards in the UK Public Sector.

Likelihood - The probability that a given event will occur

Limitation of scope - Any restriction that prevents auditors from obtaining sufficient, appropriate evidence to achieve the objectives of an audit engagement.

Professional Scepticism - Questioning and critically assessing the reliability of information.

QAIP (Quality Assurance and Improvement Programme) - A comprehensive framework designed to evaluate and enhance the quality of the internal audit function.

Risk Assessment – The identification and analysis of risks relevant to the achievement of the Council's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

Risk Management - A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the Council's objectives.

Risk - The positive or negative effect of uncertainty on objectives.

Seven Principles of Public Life (Nolan Principles) - These principles outline the ethical standards expected of public office holders.

Terms of Reference – A document outlining the objectives, scope, timings and responsibilities for audit engagements.

Topical Requirements - Relate to specific audit subjects to help internal auditors perform engagements in those risk areas.

Value for Money - An assessment of whether the Council is using its resources efficiently, effectively, and economically.

Work programme - The process of collecting, analysing, interpreting, and documenting audit testing during an audit engagement.

BCP Council Internal Audit Strategy 2025-2028

Vision: To continuously improve the risk, control and governance arrangements across the Council.

Objective: To strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Current state in 2025	Strategic Objectives	Strategic Initiatives (Priority H, M, L)	Desired state in 2028
1. New professional audit standards (GIAS) draft action plan in place.	To ensure full compliance with GIAS standards	Action plan to address new professional audit standards (H)	Internal and External assessments against GIAS show full compliance
2. Some pilot use of artificial intelligence	To use artificial intelligence to support audit work	Consideration on how the use of artificial intelligence can help improve the efficiency and effectiveness of the Internal Audit service (M)	All auditors use artificial intelligence to support audit work
3. Audit Apprentices undergoing qualification training	To ensure the Internal Audit Team includes fully trained/ qualified Apprentices	Ensure robust training and support is in place for the development of the new Internal Audit Apprentices (M)	Audit Apprentices are fully qualified and are in established auditor posts
4. Data Analytics Strategy in place with actions for improvement.	To ensure data analytics is fully embedded within Internal Audit assurance work	Further progress implementation of actions on the Data Analytics Strategy (M)	Data analytics is used as a key tool in the provision of Internal Audit assurance work
5. In-house audit management system in place covering key audit process	To have a fully functioning internal auditing management system	Further development of the new Internal Audit Management system to assist with audit planning and resource (M)	Audit management system has full capabilities including planning and resource modules

INTERNAL AUDIT DATA ANALYTICS STRATEGY 2025-28



A. Purpose

Data analytics is the process of examining data sets in order to find trends and draw conclusions about the information they contain.

This revised strategy for the period of 2025-2028 will further integrate the application of Data Analytics within the Internal Audit team. As a consequence of the previous three years of efforts in this domain, we have progressed to a stage where we are “Data Analytics Defined.” This achievement stems from our staff training, the assimilation of data analytics within the audit process, and the production of actionable results that have been effectively utilised by the organisation.

BCP Council continues to amass an extensive array of data pertaining to service users, employees, and other stakeholders. As an integral aspect of organisational design, data and insights will play pivotal roles in the proposed enhancement of service automation, thereby expediting and simplifying the process through which our customers obtain their desired outcomes.

Data analytics is a critical tool to add to the auditors’ toolkit to assist in the credibility of assurance work, and the maximisation of audit findings and value. Data analytics are relevant at all stages of the audit journey; developing the audit plan, planning individual audit engagements to ensure they are focused on what is important, providing assurance at the execution phase of audits through to strategic sample testing and 100% testing of data sets and supporting the production of value-added audit reports.

The strategy supports Internal Audit’s conformance with the Global Internal Audit Standards in respect of Internal Audit’s independence of the control framework.

B. Background

The expectations and the environment within which Internal Audit operates is changing. Increasingly processes are becoming more data driven, more automated and there is less human involvement in decision making, resulting in a reliance on data quality.

Internal Audit therefore needs to adapt, change and embrace new ways of providing assurance, moving with the organisation and supporting it by adding value through data driven assurance practices.

Internal Audit has a strategic opportunity to leverage data analytics in identifying risks and providing insightful analysis for the organisation. While it remains the responsibility of management to ensure proper risk mitigation, Internal Audit can deploy data analytics to pinpoint areas or transactions where controls are either lacking or ineffective.

The objective is to enable the organisation to make more informed and precise decisions by delivering robust assurance, thereby driving organisational change and mitigating the risks associated with poor decision-making through enhanced data reliability.

C. Why Data Analytics?

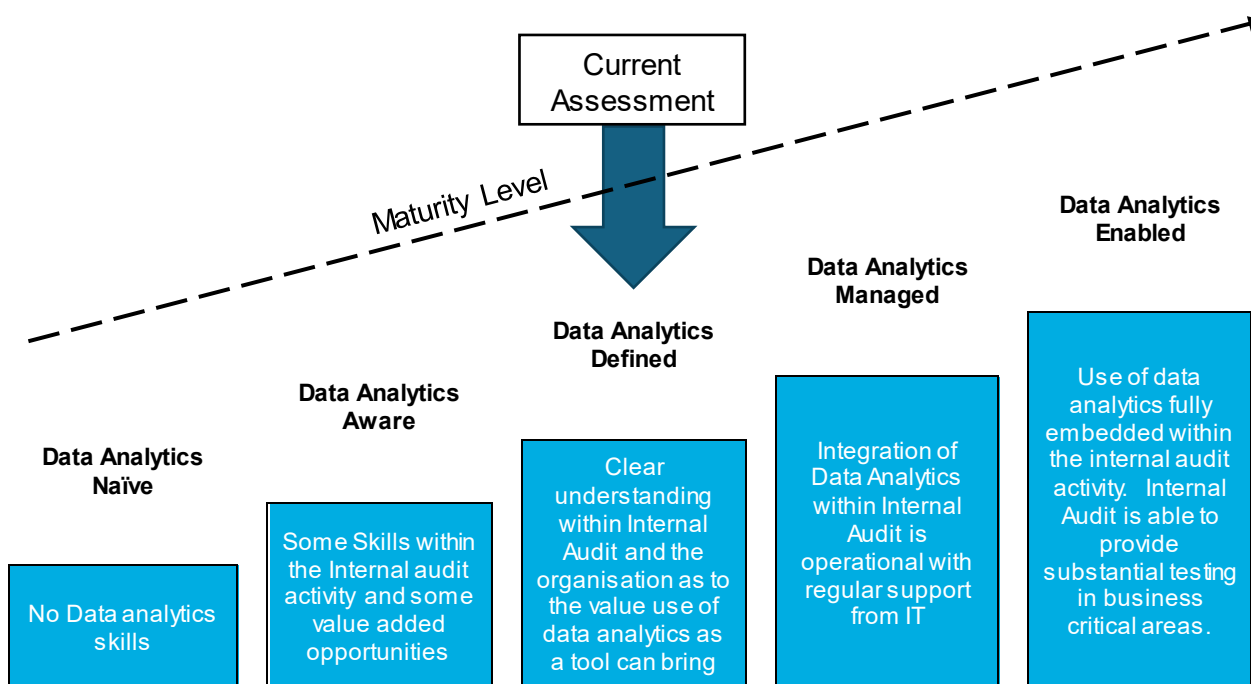
Benefits			
Increased Data Availability	Efficient and Effective	Increased Assurance	Gain New Insights
<ul style="list-style-type: none"> Information is available more readily from modern systems Council moving towards single data set Modern working practices and technology increasing data availability 	<ul style="list-style-type: none"> Less manual testing Whole population testing Larger datasets able to be reviewed 	<ul style="list-style-type: none"> Continuous and periodic monitoring Wider coverage allows greater assurance Supporting organisational decision making 	<ul style="list-style-type: none"> Trends and outliers Unexpected outcomes Identification of potential areas of fraudulent activity

Process		
Assess Risk	Analyse	Report, Insight, Follow up
<ul style="list-style-type: none"> Scenarios Values Data Quality 	<ul style="list-style-type: none"> Integrity checks Data matching Trend Analysis 	<ul style="list-style-type: none"> Dashboards Predictive and Targeted analysis

D. Where are we now and the plan forward

The diagram below is a recognised scale for assessing maturity of an audit function to Data Analytics. Whilst the ultimate goal is to reach the upper end of the scale (Enabled), it is recognised that incremental steps will need to be taken to embed Data Analytics within the systems and processes that are currently in place.

Data Analytics Maturity Model;



E. Integration of Artificial Intelligence in Data Analytics

To enhance our data analytics capabilities, the Internal Audit team is actively pursuing the integration of Artificial Intelligence (AI) into our existing processes. The primary objective of this integration is to enhance accuracy, efficiency, and the overall impact of our data analytics functions.

AI holds substantial potential to augment our data analytics efforts through advanced functionalities such as predictive analytics, anomaly detection, and the automation of routine tasks.

The integration of AI will be executed in a phased approach, ensuring the establishment of a solid foundation and the gradual scaling up of our capabilities. Additionally, we will ensure that our team receives the necessary training to effectively utilise these advanced tools, thereby advancing towards a "Data Analytics Managed" maturity level.

F. Integration of Continuous Audit Processes

The organisation is enhancing its data analytics by integrating continuous audit processes into existing frameworks. This aims to ensure real-time monitoring and rapid anomaly detection, improving audit accuracy and thoroughness. Continuous audits will keep financial and operational insights up-to-date, allowing prompt corrective actions and achieving a "Data Analytics Managed" maturity level.

The implementation will be gradual, aligning with AI integration phases, ensuring auditors are trained to use advanced tools effectively. This will maximise accuracy, efficiency, and impact, fostering a robust data analytics environment for strategic auditing.

Additionally, continuous audits will enhance anomaly detection and integrate seamlessly with other data systems, including F&O and HR systems, improving overall reporting and supporting counter fraud efforts and data matching.

G. Actions

BCP Internal Audit, based on the above analysis therefore have the following actions for implementing improvements to our data analytics processes:

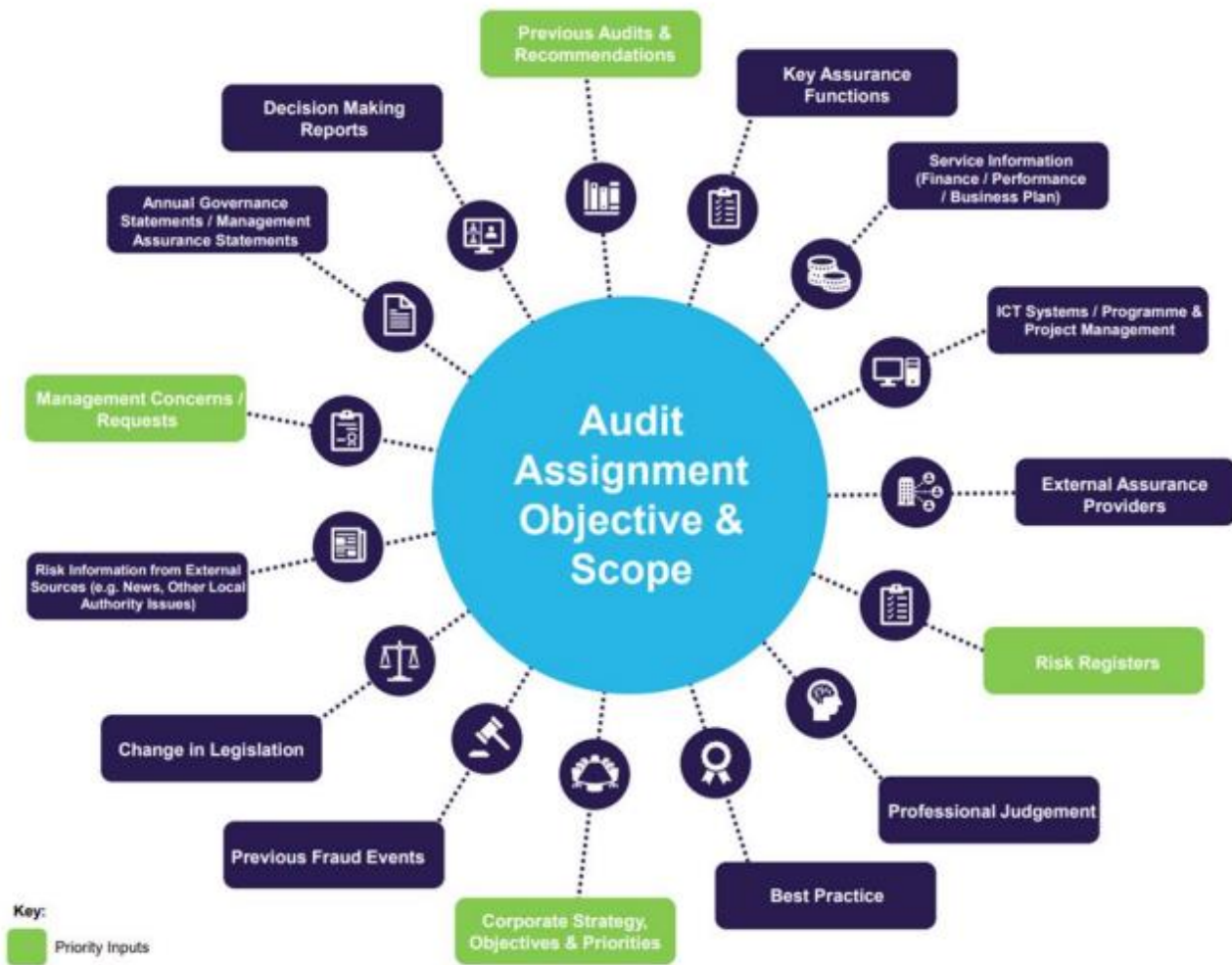
Action	Responsible Officer	Target Date
2025/26 ACTIONS		
To deliver assurance through data analytics for further dataset areas (including Debtors and Payroll)	Deputy CIAs Audit Managers	March 2026
To review and enhance the most effective way to report findings from Data Analytics work back to clients	Audit Managers	March 2026
Further integration with Dynamics F&O to obtain data and allow more effective Analytics to be performed on HR and Payroll data.	Audit Managers	March 2026
Consider options for data matching by Internal Audit for counter fraud purposes.	Deputy CIAs Corporate Fraud Specialist	March 2026
Training of team on effective use of AI within Data Analytics	Audit Managers	March 2026
2026/27 Actions		
To roll out continuous audit practices for other areas with more focus on HR and Payroll data from Dynamics F&O.	Audit Managers	March 2027
To integrate with Council Tax, NDR and Housing Benefit data in the new Revenues and Benefits System to enable Data Analytics and assurance work to be completed.	Audit Managers	March 2027
2027/28 Actions		

<p>Ascertain information held within the “Data Lake” and how we might use this information within Data Analytics</p> <p><i>(B/fwd from 2024/25 due to delay in corporate IT activity, unknown target date for implementation at this time)</i></p>	Deputy CIAs	March 2026
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These actions will be reviewed annually throughout the strategy period.

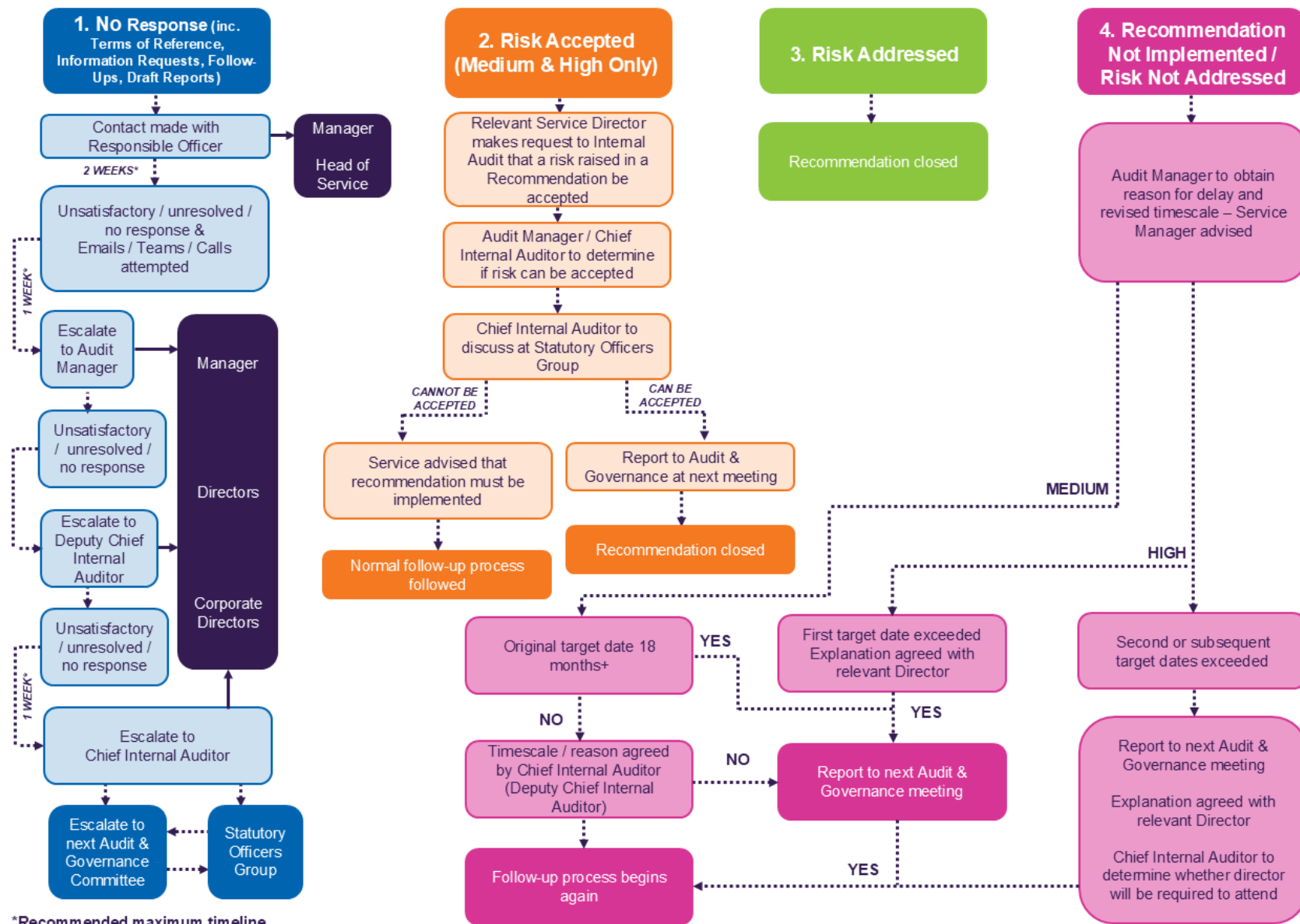
Appendix E

INFORMATION SOURCES TO DETERMINE SCOPE OF AN AUDIT - *These are also used to inform Internal Audit strategic/annual audit planning*



FOLLOW-UP PROCESS AND ESCALATION PROCESS (INCLUDING FOR NON-IMPLEMENTED INTERNAL AUDIT RECOMMENDATIONS)

Last Updated: 26/02/2025





International Professional Practices Framework[®]

(IPPF)

INTERNAL AUDIT QUALITY ASSURANCE & IMPROVEMENT PROGRAMME



1. Introduction

- 1.1 The Global Internal Audit Standards requires that the Chief Internal Auditor must develop, implement and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity.
- 1.2 The QAIP is designed to assess conformance with the GIAS and other key requirements (including the Code of Practice for the Governance of internal Audit in the UK Local Government) and achieve performance objectives and identify opportunities for improvement. The Audit & Governance Committee will approve the QAIP and will receive the performance results at least annually.
- 1.3 The QAIP includes the following:
 - Internal Assessments – Ongoing performance monitoring of the Internal Audit Activity to ensure effectiveness of the Internal Audit Team (Section 2) and periodic self-assessments to evaluate conformance with the GIAS (Section 3).
 - External Assessments - assessments of the audit activity to evaluate conformance with the GIAS (Section 4).
- 1.4 All internal audit staff have a responsibility for maintaining quality.

2. Ongoing Performance Monitoring

INTERNAL AUDIT RESOURCES

- 2.1 The structure of the Internal Audit Service will be periodically reviewed to ensure that it remains appropriately resourced in terms of numbers, grades, qualification levels and experience to meet its objectives.
- 2.2 All Auditors will hold a relevant professional qualification or will have equivalent audit experience and new auditors will be required to undertake a relevant apprenticeship or relevant qualification.
- 2.3 All Internal Auditors will be assessed in line with the IIA's competency framework.

INTERNAL AUDIT DELIVERY

- 2.4 **Engagement Supervision / Reviews** – All aspects of audit engagements are supervised by either an Audit Manager (AM) or Deputy Chief Internal Auditor (DCIA). All terms of references and work programmes are approved prior to commencement of fieldwork. Working papers are reviewed during and after the engagement. Review and approval of all draft and final audit reports are undertaken by the AM and all partial / minimal / substantial assurance reports are reviewed by the DCIA and CIA. Consideration will be given to engagement rotations to ensure the right balance of skills, experience and objectivity. Evidence of supervision / reviews are evidenced and retained.

- 2.5 Monthly one-to-one meetings (with Auditors and Audit Managers) and team meetings include discussions on audit progress and audit engagement issues.
- 2.6 **Audit Processes** – Various policy and procedure documents have been produced and made available to all auditors to assist with performing the internal audit activity and maintain quality including:
- Internal Audit Charter
 - Internal Audit Manual
 - Internal Audit Management System
 - Internal Audit process templates
 - Internal Audit process training videos
 - Internal Audit Data Retention Policy.

Audit processes are regularly reviewed. Any changes to processes are updated and recorded in the Audit manual and/or Audit Charter where required.

- 2.7 **Stakeholder Feedback** – Internal Audit Satisfaction Surveys are requested for each audit engagement. Survey results are monitored by the Deputy Chief Internal Auditors (DCIAs) and appropriate action taken in respect of any issues raised.
- 2.8 **Recommendation Follow-ups** – Audit recommendations are logged to monitor and ensure that management actions have been effectively implemented or that senior management have accepted the risk of not taking action.
- 2.9 **Performance Framework** – In line with the Corporate Performance Framework, all members of the Internal Audit Team are set objectives annually which are recorded and monitored through the year. Mid-year and annual performance reviews are carried out including review against objectives and determination of performance indicator.
- 2.10 **Training** – Training needs are identified through one-to-one meetings, monitoring of objectives and audit supervision. Formal records of training are held on each individual auditor's Skillgate account. The CIA, DCIAs and Audit Managers are required to retain membership of their professional institute and undertake relevant CPD. All Auditors maintain a record of their continual professional development in line with their professional body.

PERFORMANCE MEASUREMENT

- 2.11 Internal Audit's performance against its objectives will be managed by setting and monitoring performance measures as set out in Table 1. Where performance measures are not being met, an action plan will be put in place to address these concerns.

3. Periodic Self-Assessments

- 3.1 Periodic self-assessments are designed to assess conformance with the Global Internal Audit Standards and progress towards performance measures.
- 3.2 Periodic assessments will be conducted through:
- Completion of an annual checklist by DCIA to determine Internal Audit's conformance with the Global Internal Audit Standards.
 - A detailed review of individual Global Internal Audit Standards carried out by a member of the Internal Audit Team on rolling basis, aiming to cover all standards within a five-year period.

- Results from the checklist and reviews above are reported in the CIAs Annual Report & Opinion to the Audit and Governance Committee.

3.3 The level of conformance of the internal audit activity with the Global Internal Audit Standards is measured using Generally Conforms / Partially Conforms / Does Not Conform assessment criteria. The CIA will determine if Internal Audit overall conforms to the Global Internal Audit Standards by using the IIA self-assessment tool.

4. External Quality Assessments

- 4.1 BCP Internal Audit will ensure that an external quality assessment is undertaken every five years by a suitably qualified (CMIIA, CCAB or equivalent), experienced (including Sector experience) and independent assessor. The scope, timing and suitability of the assessor for the external review will be approved by the Audit and Governance Committee.
- 4.2 For clarity, the independent assessor must ensure compliance with the Global Internal Audit Standards and the CIPFA Application Note for the Global Internal Audit Standards in the UK Public Sector.
- 4.3 The results of the assessment will be communicated to the Audit and Governance Committee. Any action plans required to address any issues raised from the external reviews will be reported and approved by the Audit and Governance Committee.

TABLE 1 – INTERNAL AUDIT PERFORMANCE MEASURES

Internal Audit Objective: To strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.					
CSF1: Internal Audit is adequately resourced to allow the CIA to conclude on their Annual Opinion					
REF	PERFORMANCE TARGET	WHO DOES THE TARGET APPLY TO	REPORTED TO*	MONITORING PROCESS	MONITORING FREQUENCY
1A	To complete (Final Audit Reports) the final revised annual audit plan by 30 May (where fieldwork falls in March) or 31 July (where fieldwork falls after March) for agreed cross-year audit engagements.	Audit Managers (Related Directorates) and DCIAs overall.	A&G (Quarterly) SOG (Quarterly) CIA Report (Annual)	<ul style="list-style-type: none"> Management System Audit Monitoring Report – The AMS automatically updates the audit statuses. Monitored by the DCIAs and communicated to the CIA monthly through 2-2-1 meetings. Where targets are not met these will be reported to A&G. 	Ongoing Monthly
1B	All auditors to complete 100% of their allocated audits within the required timescales* (both within total days allocated and target key dates). *Or within agreed variation. The Audit Manager in conjunction with the DCIA must ensure that any variation in days allocated are reflected within the audit plan.	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA (at least Monthly)	<ul style="list-style-type: none"> Audit Management System Audit Monitoring Report – The AMS automatically updates the target dates, budgeted vs actual time spent and audit statuses. Individual engagement performance is reported to and considered by the CIA. Audit Manager or DCIA oversight during/end of audit engagements including through 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Weekly AM / Auditor contact, prior to this, timesheets must be up to date. At a minimum this means the prior week's timesheet. 	Ongoing Ongoing Ongoing Annually Weekly
CSF2: Internal Audit provides an effective and efficient service					
2A	All auditors to complete their allocated audits and ad hoc support/advice to a professional standard (Compliance with GIAS, CIPFA, BCP Code of Conduct).	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA	<ul style="list-style-type: none"> Audit Manager or DCIA oversight during/end of audit engagements including 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Client feedback. 	Ongoing Annually
2B	All auditors to ensure a provision of timely and professional ad hoc support and advice.	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA	<ul style="list-style-type: none"> Professional standard of ad hoc support and advice reviewed at 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Client feedback. 	Monthly Annually
2C	100% of customer satisfaction surveys received rate the service as good (score of 4) or above.	All Auditors (Auditors, Audit Managers & DCIAs)	A&G (Annually) DCIA / CIA	<ul style="list-style-type: none"> Satisfaction Survey results are recorded on the Teams Dashboard. Individual engagement satisfaction surveys are reported to and considered by the DCIA / CIA. 	Ongoing Ongoing

2D	100% of High and Medium recommendations are followed up within timescales stated in the Audit Charter.	Audit Managers (Related Directorates) and DCIAs overall.	A&G (Quarterly) DCIA / CIA (Monthly)	<ul style="list-style-type: none"> Audit Management System Recommendation tracker is updated where follow-ups have been carried out. Overdue recommendations are monitored via the Audit Management System Recommendation Reports and discussed with Audit Managers / DCIA at their 1-2-1. 	Monthly
2E	100% of High and Medium non-implemented recommendations comply with the Escalation Policy.	Audit Managers (Related Directorates) and DCIAs overall.	A&G (Annually) DCIA / CIA (Monthly)	<ul style="list-style-type: none"> Recommendations followed up but not implemented are escalated in compliance with the Escalation Policy for non-implemented Internal Audit Recommendations. Monitored via Audit Management System Recommendation Tracker and discussed with Audit Managers / DCIA at their 1-2-1/2-2-1. 	Monthly
2F	Conduct annual internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note.	CIA and DCIA	A&G (Annually)	<ul style="list-style-type: none"> Annual reporting to A&G Committee. 	Annually
2G	Ensure that external assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note are undertaken at least every five years.	CIA and DCIA	A&G (Five yearly)	<ul style="list-style-type: none"> Five yearly reporting to A&G Committee. 	Five yearly
CSF3: Internal Audit staff are adequately skilled to provide a professional service					
3A	100% completion of Performance Reviews within the Internal Audit Team.	CIA and DCIA	DCIA / CIA (Annually)	<ul style="list-style-type: none"> All staff receive a performance review, using the corporate template, during which employee behaviours and achievement of previous year objectives are discussed. In addition, objectives for the year ahead are agreed. 	Annually
3B	100% Completion of Mandatory Training as required.	All Auditors (Auditors, Audit Managers, DCIAs & CIA)	DCIA / CIA	<ul style="list-style-type: none"> Records of mandatory training are logged centrally. Mandatory training is discussed and monitored at 1-2-1 meetings. 	Ongoing Monthly
3C	Completion of individual staff CPD requirements for Audit Managers, DCIA and CIA.	Audit Managers, DCIAs & CIA.	DCIA / CIA	<ul style="list-style-type: none"> Monthly one to one meetings are held to assess staff training which includes CPD monitoring for Audit Managers. 	Monthly
3D	Meeting the required competency level outlined in the Competency Framework or have an agreed action plan in place to meet the required competency level.	All Auditors (Auditors, Audit Managers, DCIAs & CIA)	DCIA / CIA	<ul style="list-style-type: none"> Annual assessment against the Competency Framework. 	Annually

*KEY: A&G – Audit and Governance Committee

SOG – Senior Officers Group

CIA – Chief Internal Auditor

DCIA – Deputy Chief Internal Auditor



BCP COUNCIL ASSURANCE FRAMEWORK – APRIL 2025

COUNCIL

Audit & Governance Committee Annual Report

AUDIT & GOVERNANCE COMMITTEE

AGS - REVIEW OF EFFECTIVENESS OF GOVERNANCE FRAMEWORK

Management				Internal Audit	External Assurance Providers	Member Oversight
Assurance Function	First Line Assurance	Second Line Assurance		Third Line Assurance	<ul style="list-style-type: none"> - External Audit - Reviews & Inspections - Regulatory Bodies - Benchmarking 	<ul style="list-style-type: none"> - Audit & Governance Committee - Overview & Scrutiny Committees Cabinet/Council
		Corporate advice & compliance	Corporate Oversight			
Asset Management	Directors and managers	Finance; Housing & Communities; Customer & Property Operations	Corporate Property Group (CPG); Capital Investment Programme Board; Corporate Management Board (CMB)	Chief Internal Auditor annual conclusion on the Council's governance, risk management and control arrangements	External Audit (Grant Thornton - GT) * Social Housing Regulator Care Quality Commission	Cabinet/Council (acquisitions/disposals)
Business Continuity		Finance	Resilience Governance Board; Resilience Forum; CMB		Outsourced Business Continuity, ICT inspections	Audit & Governance Committee (annual report)
Business Planning and Performance Management		Marketing, Comms & Policy	Various – including Corporate Strategy Delivery Board; Children's Services (SEND) Improvement Board; Planning Improvement Board; CMB; Children & Young People's Partnership Board; Performance and Quality Executive Board for ASC		Local Government and Social Care Ombudsman (complaints) Peer Review	Cabinet/Council (annual performance report)
Counter Fraud		Finance	Statutory Officer Group (SOG)		National Fraud Initiative (NFI) annually	Audit & Governance Committee (annual report and quarterly updates)
Financial Management		Finance	Corporate Management Board		External Audit (GT) *	Cabinet/Council (Quarterly MTFP update and budget and financial outturn) Audit & Governance Committee (VFM, Treasury management quarter update)
Fire Safety		Customer & Property Operations	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		Fire Safety Inspections	Audit & Governance Committee (annual report)

Health & Safety (H&S)		Finance	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		H&S Executive (inc. unannounced inspections)	Audit & Governance Committee (annual report)
Human Resources		People & Culture	Directors Strategy Group (DSG); CMB		Unions	Cabinet/Council as required, e.g. Pay & Reward, Performance Framework
ICT		IT & Programmes	IT & IS Infrastructure Board; Information Governance Board (IGB); CMB		Public Services Network (PSN) NCSC	Corporate Risk Management, Overview & Scrutiny, Cabinet/Council as appropriate
Information Governance		Law & Governance	Information Governance Board		Information Commissioner	Audit & Governance Committee (annual report)
Partnerships		Marketing, Comms & Policy	Various – including service/partnership specific boards e.g. BCP/BH Live Strategic Partnership Board; Children's and Young Peoples Partnership Board; CMB			Health & Wellbeing Board Lower Central Gardens Trust Board Russell Cotes Art Gallery and Museum Management Committee
Procurement		Finance	Procurement & Contracts Board		Procurement Review Unit (PRU) part of the Cabinet Office (enhanced role following the Procurement Act 2023)	Audit & Governance Committee (ad hoc reports/deeper dives)
Project & Programme Management		IT & Programmes	Corporate Strategy Delivery Board; CMB; Infrastructure Board; Project specific boards			Project Committees /Boards as appropriate
Risk Management		Finance	DSG; CMB		External Audit (GT) *	Audit & Governance Committee (quarterly update reports)
Safeguarding		Adult Social Care; Children's Services	Safeguarding Boards (Adults & Children's which include independent scrutineers); CMB		Care Quality Commission; Ofsted; Child Safeguarding Practice Review Panel	Children's Services Overview & Scrutiny Committee Was the Improvement Board, going forward it will be the Children and Young Peoples Partnership Board Health & Adult Social Care Overview & Scrutiny Committee
Sustainable Environment		Environment	Overall arrangements currently in development; CMB		Environment Agency (EA) and Office for Environmental Protection (OEP)	Environment & Place Overview & Scrutiny Committee (Sustainability)

*It is not the External Auditor's (Grant Thornton) primary role to provide assurance on the adequacy of key assurance functions. Nevertheless, through their auditing of the statement of accounts and in providing their value for money opinion, a form of external assurance exists across a number of functions, most notably those marked with an asterisk.

Appendix J

Consultees

The following individuals/groups have been consulted during this year's evolution of this Charter:

Name
Internal Audit
Statutory Officers Group
Audit and Governance Committee

Equalities Impact Assessment

Assessment date	05/03/2025
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Document Control

Approval body	Audit and Governance Committee
Approval date	TBC
V1 – April 2025	New Charter created (please note any version changes in the future will be shown in red text)

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit - Audit Plan 2025/26
Meeting date	20 March 2025
Status	Public Report
Executive summary	<p>To comply with the Global Internal Audit Standards (GIAS), and the Application Note / CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government, this report outlines the BCP Assurance Framework and the Internal Audit Plan for 2025/26.</p> <p>The BCP Assurance Framework has been updated to indicate 'Member Oversight' of the assurance functions through the various committee meetings.</p> <p>The final Internal Audit Plan for 2025/26 has been produced. Completion of the plan will enable the Head of Audit & Management Assurance to provide an annual conclusion on the Councils' governance, risk management and control arrangements.</p> <p>The allocated budget resource for 2025/26 is considered adequate to deliver the Internal Audit Charter and Audit Plan for 2025/26.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <ul style="list-style-type: none"> • agree the updated BCP Assurance Framework • approve the Internal Audit Plan 2025/26 including the detailed breakdown of quarter 1 audits • note the 2025/26 budget for the Internal Audit service, which was approved by Council as part of the 2025/26 Council Budget setting and Medium Term Financial Plan update in February 2024
Reason for recommendations	To comply with Global Internal Audit Standards and Application Note / CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government through the production and approval by the Audit & Governance Committee of the Internal Audit Plan and BCP Assurance Framework.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉nigel.stannard@bpcouncil.gov.uk</p>

Wards	Council-wide
Classification	For Decision and Information

Background

1. Auditors working in the UK public sector must follow the requirements of the Global Internal Audit Standards (GIAS) subject to the interpretations and additional requirements set out in the Application Note which both come into effect from the 1st April 2025.
2. The standards include 'essential conditions' for the governance of internal audit which are provided in CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government which also comes into effect from the 1st April 2025.
3. The GIAS and supporting guidance require Internal Audit to create and revise as necessary an Internal Audit Plan. The plan should also be approved by the Audit & Governance Committee and the Internal Audit service budget (as previously approved by Council) should be noted.

BCP Assurance Framework

4. The BCP Assurance Framework assists the Audit & Governance Committee with their role of providing independent assurance to the Council on the effectiveness of the Council's governance arrangements, risk management framework and internal control environment
5. The Council's Assurance Framework was presented to the Audit & Governance Committee on the 27 January 2025 for comments and feedback.
6. The Assurance Framework at Appendix A has been updated, as requested at the last meeting, to include a new column indicating 'Member Oversight' of assurance functions through committee meetings. Audit & Governance Committee are asked to agree the updated Assurance Framework.

Internal Audit Plan 2025/26

7. The Internal Audit Plan 2025/26 (high level allocation of resource and delivery approach) is unchanged from that presented to the Audit & Governance Committee on the 27 January 2024 and reproduced below, with comparison to the 2024/25 Audit Plan:

AUDIT ACTIVITY	2024/25 PLAN DAYS	2025/26 PLAN DAYS	Difference (Days)	Difference (Reason)
CORE AUDIT & ASSURANCE WORK				
HIGH LEVEL RISKS	740	860	+120	Additional resource from Council Tax SPD project transfer and reduction in apprentice training
KEY FINANCIAL SYSTEMS	160	160		
KEY ASSURANCE FUNCTIONS	195	195		
COUNTER FRAUD RISKS	160	180	+20	
SCHOOLS	50	50		
PLANNING, ADVICE, FOLLOW UP	270	270		
TOTAL	1,575	1,715	+140	
OTHER AUDIT WORK				
INVESTIGATIONS	100	100		No change
CONTINGENCY WORK	20	20		
GRANT CERTIFICATION WORK	45	45		
FINANCIAL REGULATIONS COMPLIANCE	20	20		
BCP TRANSFORMATION & EFFICIENCY	35	35		
TOTAL	220	220	-	
CORPORATE ASSURANCE WORK				
CORPORATE FRAUD	260	125	-135	Transfer of council tax single person discounts review project to revenues service
FREE EARLY EDUCATION FUNDING AUDITS	50	50		
OTHER CORPORATE ASSURANCE WORK	30	30		
TOTAL	340	205	-135	
GOVERNANCE WORK				
CORPORATE MANAGEMENT & LIAISON	70	70		No change
MEMBER LIAISON	65	65		
AGS (Annual Governance Statement)	75	75		
TOTAL	210	210	-	
IA SERVICE MANAGEMENT WORK				
MANAGEMENT & MEETINGS	285	280	-5	Staff FTE reduction during year
AUDIT DEVELOPMENT	80	80		
PERFORMANCE MANAGEMENT	45	45		
TOTAL	410	405	-5	
NON-PRODUCTIVE TIME				
LEAVE	535	520	-15	Less bank holidays & staff reduction during year.
SICK\DOWNTIME	55	55		
TRAINING & CPD	320	200	-120	Apprentice training completed during year.
TOTAL	910	775	-135	
TOTAL DAYS	3,665	3,530	-135	Staff FTE reduction during year

8. The 'Core Audit & Assurance Work' (1,715 days) is detailed further at Appendix B and shows all planned work across each individual Service Area. A further breakdown of the audits that are planned to be carried out in quarter 1 of 2025/26 is shown at Appendix C.
9. Internal Audit have updated the Anti-Fraud & Corruption Work Plan (see Appendix D) which outlines planned work to prevent, detect and investigate fraud and corruption during 2025/26.
10. Consultation is being finalised with Corporate and Service Directors and External Audit on the Audit Plan.
11. The proposed work in the 2025/26 Audit Plan has been designed to enable the Head of Internal Audit to provide an annual conclusion on the Council's governance, risk management and control arrangements. The Audit Plan has been designed with flexibility in mind to accommodate any changes in BCP services that may occur throughout the organisation.
12. Monitoring of the Audit Plan completion and any changes will be brought to this committee on a quarterly basis. Audit & Governance Committee are asked to agree the proposed 2025/26 Audit Plan.

Options Appraisal

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

Summary of financial implications

14. The BCP Internal Audit Team budgeted cost for 2025/26 is £776,000. This budget is inclusive of all direct costs including supplies and services but does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). These numbers are also inclusive of the Head of Audit & Management Assurance who manages other teams.
15. The allocated budget resource for 2025/26 is considered adequate to deliver the Internal Audit Charter 2025 and 2025/26 Audit Plan. Audit & Governance Committee are asked to note the budget for the Internal Audit service which has been previously approved by Council as part of the 2025/26 Budget setting and Medium Term Financial Plan update in February 2025.

Summary of legal implications

16. This report gives an opinion on the adequacy and effectiveness of the risk, control and governance systems in place.

Summary of human resources implications

17. There are 13.8 full-time equivalent (FTE) Internal Audit staff members planned to be employed as part of the 2025/26 Audit Plan inclusive of the Head of Audit & Management Assurance. It is the opinion of the Chief Internal Auditor that these resources are sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required.
18. This represents a decrease of 0.55 FTE from 2024/25 resulting from a planned minor restructure of the team resulting in a decrease in audit apprentice positions from three to two during the year, which will be offset by the addition of two new career auditor roles.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A - BCP Assurance Framework

Appendix B - Core Audit Plan 2025/26

Appendix C - Audits Planned for Quarter 1

Appendix D - Anti-Fraud & Corruption Work Plan 2025/26

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BCP COUNCIL ASSURANCE FRAMEWORK – APRIL 2025

COUNCIL

Audit & Governance Committee Annual Report

AUDIT & GOVERNANCE COMMITTEE

AGS - REVIEW OF EFFECTIVENESS OF GOVERNANCE FRAMEWORK

Management				Internal Audit	External Assurance Providers	Member Oversight
Assurance Function	First Line Assurance	Second Line Assurance		Third Line Assurance	<ul style="list-style-type: none"> - External Audit Reviews & Inspections - Regulatory Bodies - Benchmarking 	<ul style="list-style-type: none"> - Audit & Governance Committee - Overview & Scrutiny Committees Cabinet/Council
		Corporate advice & compliance	Corporate Oversight			
Asset Management	Directors and managers	Finance; Housing & Communities; Customer & Property Operations	Corporate Property Group (CPG); Capital Investment Programme Board; Corporate Management Board (CMB)	Chief Internal Auditor annual conclusion on the Council's governance, risk management and control arrangements	External Audit (Grant Thornton - GT) * Social Housing Regulator Care Quality Commission	Cabinet/Council (acquisitions/disposals)
Business Continuity		Finance	Resilience Governance Board; Resilience Forum; CMB		Outsourced Business Continuity, ICT inspections	Audit & Governance Committee (annual report)
Business Planning and Performance Management		Marketing, Comms & Policy	Various – including Corporate Strategy Delivery Board; Children's Services (SEND) Improvement Board; Planning Improvement Board; CMB; Children & Young People's Partnership Board; Performance and Quality Executive Board for ASC		Local Government and Social Care Ombudsman (complaints) Peer Review	Cabinet/Council (annual performance report)
Counter Fraud		Finance	Statutory Officer Group (SOG)		National Fraud Initiative (NFI) annually	Audit & Governance Committee (annual report and quarterly updates)
Financial Management		Finance	Corporate Management Board		External Audit (GT) *	Cabinet/Council (Quarterly MTFP update and budget and financial outturn) Audit & Governance Committee (VFM, Treasury management quarter update)

Appendix A

Fire Safety		Customer & Property Operations	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		Fire Safety Inspections	Audit & Governance Committee (annual report)
Health & Safety (H&S)		Finance	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		H&S Executive (inc. unannounced inspections)	Audit & Governance Committee (annual report)
Human Resources		People & Culture	Directors Strategy Group (DSG); CMB		Unions	Cabinet/Council as required, e.g. Pay & Reward, Performance Framework
ICT		IT & Programmes	IT & IS Infrastructure Board; Information Governance Board (IGB); CMB		Public Services Network (PSN) NCSC	Corporate Risk Management, Overview & Scrutiny, Cabinet/Council as appropriate
Information Governance		Law & Governance	Information Governance Board		Information Commissioner	Audit & Governance Committee (annual report)
Partnerships		Marketing, Comms & Policy	Various – including service/partnership specific boards e.g. BCP/BH Live Strategic Partnership Board; Children's and Young Peoples Partnership Board; CMB			Health & Wellbeing Board Lower Central Gardens Trust Board Russell Cotes Art Gallery and Museum Management Committee
Procurement		Finance	Procurement & Contracts Board		Procurement Review Unit (PRU) part of the Cabinet Office (enhanced role following the Procurement Act 2023)	Audit & Governance Committee (ad hoc reports/deeper dives)
Project & Programme Management		IT & Programmes	Corporate Strategy Delivery Board; CMB; Infrastructure Board; Project specific boards			Project Committees /Boards as appropriate
Risk Management		Finance	DSG; CMB		External Audit (GT) *	Audit & Governance Committee (quarterly update reports)
Safeguarding		Adult Social Care; Children's Services	Safeguarding Boards (Adults & Children's which include independent scrutineers); CMB		Care Quality Commission; Ofsted; Child Safeguarding Practice Review Panel	Children's Services Overview & Scrutiny Committee Was the Improvement Board, going forward it will be the Children and Young Peoples Partnership Board Health & Adult Social Care Overview & Scrutiny Committee
Sustainable Environment		Environment	Overall arrangements currently in development; CMB		Environment Agency (EA) and Office for Environmental Protection (OEP)	Environment & Place Overview & Scrutiny Committee (Sustainability)

*It is not the External Auditor's (Grant Thornton) primary role to provide assurance on the adequacy of key assurance functions. Nevertheless, through their auditing of the statement of accounts and in providing their value for money opinion, a form of external assurance exists across a number of functions, most notably those marked with an asterisk.

2025/26 BCP Core Audit Plan																					
Audit		(Lead) Area	Wellbeing				Children's Services			Operations					Resources					2024/25 Total Days	2025/26 Total Days
			Adult Social Care	Adult Social Care Commissioning	Housing & Public Protection	Public Health & Communities	Safeguarding, Early Help & Corporate Parenting	Quality, Improvement, Governance & Commissioning	Education & Skills	Planning & Transport	Commercial Operations	Customer & Property Operations	Investment & Development	Environment	IT & Programmes	People & Culture	Finance	Law & Governance	Marketing, Comms & Policy		
Key Assurance Functions (core functions)	Asset Management (Estate Management)	Finance															10			20	10
	Asset Management (Facilities Management)	Customer & Property Ops									20									20	20
	Business Continuity	Finance															15			10	15
	Business Planning & Performance Management	Marketing, Comms & Policy																10		10	10
	Financial Management	Finance															10			10	10
	Health & Safety	Finance															15			10	15
	Fire Safety	Customer & Property Ops									20									5	20
	Human Resources	People & Culture													10					10	10
	ICT	IT & Programmes												10						10	10
	Information Governance	Law & Governance																10		10	10
	Procurement	Finance															15			20	15
	Project & Programme Management	IT & Programmes												10						10	10
	Risk Management	Finance															10			10	10
	Safeguarding	Adult Social Care	10																	10	10
	Sustainable Environment	Marketing, Comms & Policy																	10	20	10
	Partnerships	Marketing, Comms & Policy																	10	10	10
Total			10	0	0	0	0	0	0	0	40	0	0	20	10	75	10	30	195	195	
Key Financial Systems C&G	Council Tax	Finance															10			15	10
	NDR	Finance															10			15	10
	Housing Benefit & Council Tax Reduction Scheme	Finance															10			15	10
	Debtors	Finance															25			30	25
	Main Accounting System	Finance															25			10	25
	Social Services Financial Assessments	Finance															20			10	20
	Creditors	Finance															5			20	5
	Payroll	People & Culture															35			10	35
	Treasury Management	Finance															15			10	15
	Housing Rents	Housing & Public Protection			5															25	5
	Total			0	0	5	0	0	0	0	0	0	0	0	0	0	155	0	0	160	160
High Level Risks	Corporate/Service Risk Register & other risks	-	60	60	50	35	45	60	25	35	40	35	35	35	55	0	0	25	15	555	610
	Key Assurance Functions (service compliance reviews)	-	15	15	15	15	10	10	10	15	15	15	15	15	30	20	10	15	10	185	250
	Total			75	75	65	50	55	70	35	50	55	50	50	85	20	10	40	25	740	860
Schools	Schools	Education & Skills						50												50	50
Counter Fraud	Corporate Work (inc. NFI)	Finance															60				60
	Contract Payments	All Services	0	4	2	0	0	4	0	2	2	1	1	2	2	1	2	1	1		25
	Direct Payments	Adult Social Care	15																		15
	Right to Buy	Housing & Public Protection			15																15
	Blue Badges	Cust & Prop / Plan & Trans								5		10									15
	Concessionary Travel	Planning & Transport								15											15
	Moveable Assets	All Services	1	1	1	1	2	2	1	4	1	1	1	4	1	1	1	1	1		25
	Cash Income	Commercial Operations									10										10
	Total			16	5	18	1	2	6	1	26	13	12	2	6	3	2	63	2	2	160
Other	Planning, Advice, Follow Ups	-	20	20	15	10	15	15	15	10	20	20	15	20	25	10	25	10	5	270	270
Total	Total Days 2024/25		122	111	119	25	95	88	85	80	65	84	54	82	88	57	311	47	62	1575	
	Total Days 2025/26		121	100	103	61	72	91	101	86	88	122	67	76	133	42	328	62	62		1715
	Overall Total Days 2025/26		385				264			439					627						

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2025/26 BCP INTERNAL AUDIT PLAN
QUARTER 1 AUDITS PLANNED (provisional)

	Service Area	Audit
	WELLBEING	
	Adult Social Care	Deprivation of Liberty Safeguards
	Housing & Public Protection	Leaseholder Charges
	Housing & Public Protection	Food Safety Regulatory Compliance
	CHILDREN'S SERVICES	
	Education & Skills	The Priory Primary School
	Education & Skills	St Joseph's Primary School
	Quality, Improvement, Governance & Commissioning	Quality Assurance Framework
	OPERATIONS	
	Customer & Property Operations	Corporate Buildings Fire Safety
	Customer & Property Operations	Blue Badges (Counter Fraud)
	Planning & Transport	Concessionary Travel (Counter Fraud)
	Environment	Passenger Transport Operations
	RESOURCES	
	Finance	Financial Assessment (KFS)
	Finance	Housing Benefit & Council Tax Reduction (KFS)
	Finance\IT and Programmes	BACS Bureau
	IT and Programmes	Licensing
	IT and Programmes	IT Equipment Asset Management
	Marketing, Comms & Policy	Social Media Management

Key: KAF – Key Assurance Function, KFS – Key Financial System

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INTERNAL AUDIT
ANTI-FRAUD & CORRUPTION AUDIT PLAN
2025/26

Author: Simon Milne, Audit Manager Deputy CIA
Version: March 2025 v2025
Review Date: Annual, next due March 2026

Background

The Council's overall arrangements for preventing, detecting and investigating fraud and corruption are regularly reviewed and assessed by Internal Audit. The Council's approach for countering fraud and corruption is set out in the Anti-Fraud and Corruption Policy which also highlights relevant legislation, details roles and responsibilities of officers & councillors and also provides detailed guidance for officers and managers.

In addition the following relevant key policies are in place within the Council: Whistle-Blowing Policy; Declarations of Interests, Gifts and Hospitality Policy; Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy; Financial Regulations; Employee/Member Codes of Conduct.

Introduction

Managing the risk of fraud and corruption is the responsibility of management. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected. Nevertheless, Internal Audit has a key role to play in the prevention, detection, and investigation of fraud and corruption.

Internal Audit maintains the Council's Corporate Fraud Risk Register and ensures any high scoring risks are considered for inclusion in individual service risk registers.

The Corporate Fraud Risk Register is used to identify key Council fraud and corruption risks and to allow Internal Audit to allocate its resource and regularly review these key risks as part of the annual audit plan.

This Anti-Fraud and Corruption Audit Plan provides the allocation of Internal Audit resource for tackling fraud and corruption against the Council. It covers the activities of the Council that are considered to be the most likely to be subjected to fraud in some form, either from within the organisation or from external sources.

2025/26 Annual Fraud Risk Assessment

The audit of fraud and corruption is an important feature of the Audit Plan and comprises of three main elements:

- An assessment of all or part of the Council's overall arrangements for preventing and detecting fraud and corruption;
- Ensuring counter-fraud and corruption work is incorporated within planned audits across directorates (e.g. payroll, creditors);
- Reviewing and testing specific risk areas that are not covered by planned audits.

Time has been allocated in the 2025-26 Audit Plan to carry out proactive prevention and detection work on fraud and corruption, including the specific risk areas not covered by planned audits. This time also includes work on the co-ordination of the National Fraud Initiative (NFI) data matching exercise.

The 2025-26 Audit Plan has also allocated days to undertake investigative work to be carried out if fraud or corruption is suspected or detected.

Corporate Fraud Work

Fraud checks on Council housing services (Right to Buy) will be carried out by the Corporate Fraud Specialist within Internal Audit, as well as providing specialist support for Blue Badge and housing tenancy fraud.

	ANTI-FRAUD AND CORRUPTION WORK PLAN 2025/26			
REF	PLANNED ACTIVITY	Core Audit DAYS	Investigation DAYS	Corporate Fraud DAYS
	STRATEGIC			
1.1	Review of Best Practice – against CIPFA & other guidance	1		5
1.2	Corporate Fraud Risk Assessment – review and update	2		
1.3	Counter Fraud Case Management System – review system	5		
	CULTURE & DETERRENCE			
2.1	Issue fraud alerts - review types of frauds occurring & inform officers\managers	3		
2.2	E-learning - review completion of fraud awareness e-learning module	1		
2.3	Counter Fraud Policies - annual review	2		
2.4	Staff Declarations of Interests, Gifts & Hospitality – review system	5		
2.5	Staff Training – carry out targeted fraud awareness training	2		10
	PREVENTION & DETECTION			
4.1	Proactive analytical fraud detective work			
4.2	Contract Payments (all services)	25		
4.3	Direct Payments (Adults)	15		
4.4	Right to Buy (Housing)	15		
4.5	Blue Badges (Customer & Property Ops, Planning & Transport)	15		
4.6	Concessionary Travel (Planning & Transport)	15		
4.7	Moveable Assets (all services)	25		
4.8	Cash income (Commercial Services)	10		
4.9	Data-matching and investigation (including NFI)	35		25
4.10	Corporate Fraud Work - Housing Allocation\Tenancy\Right to Buy\Blue Badges. (includes pro-active work)			50
	INVESTIGATION			
5.1	Counter Fraud Work - responding to suspected irregularities		100	30
	SANCTION/REDRESS			
6.1	Regular review of internal audit investigation log to confirm that sanctions applied are consistent and in accordance with policy	1		
6.2	Prosecution\Penalties for external fraud e.g. Housing Tenancy			5
	DEFINING SUCCESS			
7.1	2026-27 Counter Fraud Plan – prepare and complete	2		
7.2	Annual Report to Audit & Governance Committee – production	1		
	TOTAL ALLOCATED DAYS 2025/26	180	100	125
	GRAND TOTAL ANTI-FRAUD & CORRUPTION DAYS		405	

KEY FRAUD RISK AREAS (FROM CORPORATE FRAUD RISK REGISTER)

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Cybercrime Illegal activities conducted using computers or networks, encompassing hacking, fraud, identity theft, and other malicious actions online	12	- BCP cyber security audit review 2021/22 - Network security audit review 2023/24 - 3 rd Party access audit review 2024/25	-
Mandate Fraud Fraudulent attempt to change bank account details for a supplier	12	- Annual Creditors audits - Bank mandate specific audit review 2024/25	-
Contract Fraud Unfair award of contract to a supplier / incorrect payment made to suppliers	12	- BCP contract award audit review 2023/24 and 2024/25	Review & test contract payments to suppliers
Income Money due to the Council is intercepted	9	- 2024/25 BCP cash income checks carried out	Review cash income collection processes in Commercial Services
Council Tax Discount Fraud Council Tax Discount claimed despite not being eligible thus undermining Council Tax income and budget situation	9	- Annual Council Tax audits - NFI Council Tax Single Persons Discount annual review	-
Financial Assessments Financial circumstances are not accurately disclosed, resulting in incorrect contribution calculation	9	- Annual Key Financial System reviews	Corporate Fraud work on fraud referrals
Residential Care / Homecare Payments Residential care payments made when either the client does not exist, or no notification was made of deceased resident	9	- Annual Key Financial System reviews - Reviewed payments to residential and homecare clients 2024/25	-
Direct Payments (Adult & Children) Direct payments are not spent as per care plan activities	9	- Adults audit review 2021/22/23 - Children's audit review 2024/25	Review direct payment expenditure controls for Adults
Housing Tenancy Incorrect declaration of circumstances leading to Council property being obtained / Council property is illegally sub-let / Council property is not lived in by tenant	9	- BCP audit review 2023/24	Corporate Fraud support work NFI data matching work
Planning Applications Incorrect information given in order to wrongfully obtain planning permission	9	- BCP audit review 2024/25	-
Housing Right to Buy Obtaining discount and property by providing false records of circumstances	9	- BCP audit review 2022/23	Review Right to Buy new combined process Corporate Fraud work on applications
Recruitment Individual wrongfully obtaining employment using false information	9	- BCP audit review 2024/25	-
Creditor Payments Creditor payments made to incorrect supplier	8	- Annual Creditors audits - 21/22 duplicate payments review carried out - NFI biennial exercise (last Jan 2025)	-

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Treasury Management Payments Fraudulent bank transfer payments made disguised as genuine treasury management transactions	8	- BCP audit review 2023/24	-
Schools Creditor payments, expense payments, funding payments and payroll	6	- Ongoing school audits	-
Council Tax Reduction Scheme (CTRS) Submitting false information in order to wrongfully gain CTRS	6	- Annual Housing Benefit audit - NOTE BCP Revs responsibility	-
Business Rates Incorrect declaration of circumstances leading to incorrect rates being charged	6	- Annual NDR Key Financial System audits - Small Business Relief data matching work 2019/20 - NOTE BCP Revs responsibility	-
Blue Badge Use of a counterfeit / stolen / deceased / fraudulently obtained Blue Badge	6	- BCP audit review 2021/22	Review arrangements in place Corporate Fraud support work
Theft of Assets Assets and / or data stolen / used for personal use	6	- Asset Management Key Assurance Function service reviews	Review moveable asset fraud risks & controls across BCP Council
Procurement Cards Fraudulent use of procurement card such as personal use	4	- BCP Counter Fraud Review 2020/21 - BCP audit review 2024/25	-
Concessionary Travel Gaining access to Concessionary travel using false or omitted information / fraudulent use of permit	4	- BCP audit review 2020/21 - NFI biennial match to deceased process	Review new travel pass combined process Corporate Fraud support work
Grant Award False payment of grants to private individuals, companies, charities / misuse of grant funding	4	- Includes COVID grant awards – Internal Audit assurance work carried out 2020/21/22 - BCP Grant Award audit review 2022/23	-
Employee False Claims Inappropriate employee claims for expenses and / or time	4	- BCP Counter Fraud Review 2020/21 & 2023/24 (expenses only) - Payroll Key Financial System audits	-
Licences Obtaining licence through provision of false information	4	- Covered with Identity Fraud audit review 2022/23	-
Debt Collection Debts written off / reduced incorrectly (intentional)	4	- Annual Debtors audit	-
Serious and Organised Crime Council fails to prevent serious and organised crime	4	- BCP audit review 2021/22	-
False Applications/Identity Fraud Somebody uses someone else's identification / personal data to gain services / funds to which they would not otherwise be entitled	4	- BCP audit review 2022/23	-
False Insurance Claims Fraudulent insurance claim paid by the Council	3	- BCP Insurance audit review 2020/21	-
Payroll Fraud Payments made when the employee does not exist	2	- Annual payroll audits	-

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Schools Allocations Submission of false information to gain a place at a preferred school	2	- School Admission arrangements reviewed 2023/24	-
Recourse to Public Funds Persons gaining access to services/funds to which they are not entitled through false or omitted information	2	- BCP audit review 2020/21	-
Local Welfare Assistance Fund Falsely claiming entitlement to crisis payment financial assistance	2	- BCP audit review 2020/21	-
Sham Marriages Council allows a marriage to proceed without carrying out adequate checks	2	- BCP audit review 2021/22	-
Policy Compliance			
Criminal Finances Act	4	- BCP audit review 2022/23	-
Anti-Money Laundering	4	- BCP audit review 2022/23	-
Anti-Bribery & Corruption	4	- BCP audit review 2023/24	-
Regulation of Investigatory Powers Act and Investigatory Powers Act	4	- BCP audit review 2023/24	-
Employee Declaration of Interests	4	- BCP audit review 2020/21 - Annual review of senior officer form completion	Review of corporate system
Councillor Declaration of Interests	4	- BCP audit review 2022/23	-

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Forward Plan - Indicative for the 2025/26 municipal year
Meeting date	20 March 2025
Status	Public Report
Executive summary	This report sets out the indicative list of reports to be considered by the Audit & Governance Committee for the 2025/26 municipal year in order to enable it to fulfil its terms of reference.
Recommendations	<p>It is RECOMMENDED that:</p> <p>The Audit & Governance Committee approves the indicative Forward Plan for 2025/26 as set out at Appendix A.</p>
Reason for recommendations	To ensure that Audit & Governance Committee are fully informed of the reports to be considered during 2025/26.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Recommendation Decision

Background

1. Good practice dictates that a forward plan should be agreed which sets out the reports to be considered by the Audit & Governance Committee over the next 12 months.

The Forward Plan

2. An indicative Forward Plan for 2025/26, as set out at Appendix A, has been produced to set out proposals for the forward management of reports to be considered by the Audit & Governance Committee in order to enable it to fulfil its terms of reference.

3. The Audit & Governance Committee should note that the plan does not preclude extraordinary items being brought before the Committee in consultation with the Chair and Vice Chair as necessary and appropriate, thus ensuring that Audit & Governance Committee business is consistent with the terms of reference.
4. Topics requiring this Committee's consideration within its terms of reference can be added at any time in the year or as they arise. These topics are generally shown in the 'Other Reports or Training Presentations' section of the Forward Plan, Appendix A, and depending on their nature are usually added to a meeting marked 'extra'. These additional reports/presentations are made available to the public with the meeting minutes.

Options Appraisal

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

Summary of financial implications

6. There are no direct financial implications from this report.

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

10. There are no public health implications from this report.

Summary of equality implications

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

Summary of risk assessment

12. Development and agreement of the Forward Plan by the Audit & Governance Committee enables it to fulfil its terms of reference.

Background papers

None

Appendices

Appendix A – Audit & Governance Committee – Indicative Forward Plan 2025/26

Audit & Governance Committee – Indicative Forward Plan 2025/26

REPORT	29 MAY 2025 (extra)	24 JUL 2025	4 SEP 2025 (extra)	16 OCT 2025	27 NOV 2025 (extra)	15 JAN 2026	6 FEB 2026 (extra)	19 MAR 2026
EXTERNAL AUDITOR'S REPORTS								
External Auditor – Audit Plan 2024/25	As required depending on agreed timetable and national issues							
External Auditor – Audit Findings Report 2024/25	As required depending on agreed timetable and national issues							
External Auditor – Auditor's Annual Report 2024/25	As required depending on agreed timetable and national issues							
External Auditor – Audit Progress & Sector Update	As required depending on agreed timetable and national issues							
ANNUAL REPORTS								
Statement of Accounts 2024/25	As required depending on External Audit timetable							
Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance (1 update on Action Plan only)		✓				✓ ₁		
Chief Internal Auditor's Annual Opinion Report 2024/25		✓						
Annual Breaches of Financial Regulations Report 2024/25		✓						
Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25		✓						
Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2024/25		✓						
Information Governance Update		✓						
Audit & Governance Committee Annual Report		✓						
Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2024/25				✓				
Emergency Planning & Business Continuity Update				✓				
Health & Safety and Fire Safety Update				✓				
Treasury Management Strategy Refresh/Approval for next financial year						✓		
Assurance Framework & Internal Audit Planning Consultation						✓		
Internal Audit Charter & Audit Plan for next financial year								✓
ANNUAL OR PERIODIC POLICY UPDATES								
Annual evolution of Policies for 2026/27: - Whistleblowing - Anti-Fraud and Corruption - Declaration of Interests, Gifts & Hospitality - Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA)							✓	
Financial Regulations - annual evolution for 2026/27.							✓	
QUARTERLY / HALF YEARLY REPORTS								
Internal Audit - Quarterly Audit Plan Update		✓		✓		✓		✓
Risk Management – Corporate Risk Register Update		✓		✓		✓		✓
Forward Plan (refresh)		✓		✓		✓		✓
Treasury Management Quarterly Monitoring Report		✓		✓		✓		
OTHER REPORTS OR TRAINING PRESENTATIONS (These items may be deeper dive presentations rather than formal reports, as agreed by the Chair)								
BCP FuturePlaces Investigation	Committee date to be determined							
Investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development	Committee date to be determined							
<i>Other reports to be agreed during the year</i>								

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