

Notice of Audit and Governance Committee



Date: Thursday, 24 July 2025 at 6.00 pm

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

Membership:

Chair:

Cllr E Connolly

Vice Chair:

Cllr M Andrews

Cllr S Armstrong
Cllr J Beesley
Cllr J J Butt

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?MId=5981>

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

16 July 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

9 - 20

To confirm and sign as a correct record the minutes of the meeting held on 29 May 2025.

a) Action Sheet

21 - 22

To consider any outstanding actions from the previous meeting.

5. Public Issues

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

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

The deadline for the submission of public questions is midday on Friday 18 July 2025 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 23 July 2025 [midday the working day before the meeting].

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

ITEMS OF BUSINESS

6. Carters Quay - Update

23 - 28

The Audit and Governance Committee requested an update on the issues at Carter's Quay as part of the Corporate Risk Register. This report outlines the due diligence undertaken prior to acquisition, the decision-making process and subsequent activity post-contract.

7. BCP FuturePlaces

The Head of Audit and Management Assurance will provide a verbal update on the progress of the investigation to date.

8. Information Governance Update

29 - 42

Information Governance update report to the Committee, providing performance management information.

9. Treasury Management Monitoring Outturn 2024/25 and update for Quarter 1 2025/26

43 - 54

This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2024 to 31 March 2025.

A deficit of £2.1m was the final position as the Council continues to borrow to fund the accumulating deficit on its Dedicated Schools Grant (DSG). Borrowing is also at higher-than-expected interest rates due to volatility in current debt costs.

The report also sets out the Quarter One performance for 2024/25 which forecasts an underspend of £0.3m due to the Council's ability to borrow in the local authority market at lower than budgeted interest rate.

10. Increased Borrowing - Poole museum

55 - 64

To consider and recommend to Council the increased borrowing required for the Poole Museum project of £1.3 million.

It is for Audit and Governance to be satisfied that the business cases are robust enough to generate resources to satisfy the associated debt repayments.

11. Risk Management - Corporate Risk Register Update

65 - 144

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;
- The net scoring of risk CR16 - We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities, has reduced from 6 to 4 recognising the work underway to manage this risk;
- Corporate risks CR21 - Impact of global events causing pressure on BCP Council & increase in service requirements and CR24 - We may fail to adequately address concerns around community safety, have been transferred to a new risk lead;
- Corporate Risk CR24 - We may fail to adequately address concerns around community safety will be widened to include Failure to comply with the Prevent Duty;
- Corporate Risk CR19 - We may fail to determine planning applications

within statutory timescales, or within agreed extensions of time (EOT), will be removed from the Corporate Risk Register during the next quarter.

Material updates for this quarter are outlined in section 11.

12. Internal Audit - Quarterly Audit Plan Update

145 - 172

This report details progress made on delivery of the 2025/26 Audit Plan for the 1st quarter (April to June 2025 inclusive). It also includes March 2025, which due to Committee dates, was unable to be included in the March 2025 quarterly update. The report highlights that:

- 28 audit assignments have been finalised, including 19 'Reasonable' and 5 'Partial' audit opinions, 1 consultancy assignment and 3 follow ups;
- 26 audit assignments are in progress, including 3 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;
- 13 'High' priority audit recommendations have not been fully implemented by the original target date and 6 'Medium' priority recommendations have (or will) not be implemented within 18 months of the original target date. Explanations from respective services have been provided and revised target dates have been agreed.

The Revenues Compliance Team continue to identify and recover Single Person Discount errors and have so far achieved an additional council tax yield of £135,144 since December 2024.

13. To consider and accept a report published by the Local Government and Social Care Ombudsman

173 - 188

The purpose of this report is to formally present a report published by the Local Government and Social Care Ombudsman on 8 May 2025, about Education and Children's Services. The Ombudsman found that the Council had failed to take any action when a concern was raised when a nursery asked for a mandatory top-up charge for its free education places which it was not allowed to do. The Ombudsman has found that the Council was at fault and has caused injustice to the parent, Mr .X. The Local Government and Social Care Ombudsman has asked the Council to accept its findings.

The published report can be found at Appendix 1 to this report.

14. Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25

189 - 192

An annual review and update of the Council's Declaration of Interests, Gifts & Hospitality (for officers) Policy took place in February 2025 and the revised policy was approved by Audit & Governance Committee (27 February 2025).

Some minor changes were made to the policy as part of the annual evolution including adding directorship as a business role example that requires declaring if there is a business relationship with the Council and

clarifying employees should not accept gifts from an organisation the Council is receiving services from. In addition, guidance has been improved on accepting incidental promotional items and the definition of hospitality has been clarified. Finally, guidance has been added on the Council receiving and giving prizes.

Internal Audit are able to provide reasonable assurance, through the completion of an annual exercise, that officers have generally made appropriate declarations of interests, gifts and hospitality with the exception of three officers who failed to declare other employment. Appropriate disciplinary action was taken. Further improvements to controls are planned to prevent recurrence.

15. Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2024/25

193 - 198

Following an annual review process, the Regulation of Investigatory Power Act (RIPA) and Investigatory Powers Act (IPA) Policy was updated, the Purpose Statement now includes reference to the Investigatory Powers (Amendment) Act 2024, while Appendix A provides concise guidance on the use of technology, including artificial intelligence, in surveillance.

BCP Council has not made use of powers under RIPA or IPA during the 2024/25 financial year.

The BCP Council statutory return for the 2024 calendar year has been sent to the Investigatory Powers Commissioner's Office (IPCO).

The IPCO Inspection in July 2024 resulted in a letter from them stating that they were satisfied with ongoing compliance with RIPA and IPA and ensuring the risks or unregulated surveillance, particularly online is minimised.

16. Annual Breaches of Financial Regulations and Procurement Decision Records Report 2024/25

199 - 210

This report sets out the breaches of Financial Regulations (the Regulations) and four circumstances described in Part G, Paragraph 5 (para 5), that are now recorded within Procurement Decision Records (PDRs) (previously separately recorded as waivers) which have occurred during the 2024/25 financial year.

Circumstances described in Financial Regulations paragraph 5 are:

- i. Accelerated procurement where the Council would suffer significant negative impact if the full operational or strategic procurement approach is applied.
- ii. Unable to invite or obtain 3 bids or competition absent for technical reasons
- iii. Payments in advance for goods, services or works
- iv. Propose not to use an available Corporate Contract

An analysis of breaches and PDRs highlights the following:

	2024/25		2023/24		2022/23	
	Breaches	PDRs (para 5)	Breaches	Waivers	Breaches	Waivers
Total (count)	12	28	7	35	11	47
Total (£)	£29,162,090	£4.2m	£15,417,745	£0.7m*	£1,172,738	£3.2m

Whilst no breaches of Financial Regulations is the preferable position, the relatively low number of breaches again suggests a good level of understanding of the requirements amongst managers and officers in the majority of service directorates and has resulted in general compliance with the Regulations.

Whilst full compliance can never be guaranteed and ‘under-reporting’ of breaches, in particular, is an inherent possibility, arrangements were in place to detect instances of non-compliance.

There were 212 PDRs approved during 2024/25 totalling approximately £200m and of these 28 were circumstances as described in Financial Regulations Part G Paragraph 5 which require reporting to this committee.

An effective and transparent breaches and PDR governance process maximises the chances of the Council achieving value for money and complying with UK Procurement Legislation (Public Contract Regulations 2015 & Procurement Act 2023).

17. Chief Internal Auditor's Annual Opinion Report 2024/25

211 - 230

It is the opinion of the Chief Internal Auditor that during the 2024/25 financial year:

- arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (internal control environment), and that where weaknesses were identified there was an appropriate action plan in place to address them;
- the systems and internal control arrangements were effective and that agreed policies and regulations were generally complied with;
- adequate arrangements were in place to deter and detect fraud;
- there was an appropriate and effective risk management framework;
- managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
- the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
- the arrangements, in respect of the Chief Internal Auditor, were consistent with all of the five principles set out in the CIPFA publication “The Role of the Head of Internal Audit in Public Sector Organisations”.

18.	Audit & Governance Committee Annual Report 2024/25	231 - 250
	<p>Good governance is ultimately the responsibility of Council as the governing body of BCP Council.</p> <p>This report provides assurance as to the way in which the Audit & Governance Committee has discharged its role to support Council in this responsibility. In addition, the report underpins the Annual Governance Statement, which is approved by the committee.</p> <p>The attached report at Appendix A, Annual Report of the Audit & Governance Committee 2024/25, demonstrates how the committee has:</p> <ul style="list-style-type: none"> • Fulfilled its terms of reference; • Complied with national guidance relating to audit committees; and <p>Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.</p>	
19.	Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance	251 - 280
	<p>The Accounts and Audit Regulations 2015* require councils to produce an Annual Governance Statement (AGS) to accompany its Statement of Accounts.</p> <p>The AGS concludes that BCP Council “has effective and fit-for-purpose governance arrangements in place in accordance with the governance framework”.</p> <p>After considering all the sources of assurance (for governance arrangements), BCP Council Corporate Management Board identified that the following significant governance issues existed:</p> <ul style="list-style-type: none"> • Dedicated School Grant • Department for Education Statutory Direction for special educational needs and disability (SEND) services • Mandatory Training <p>An action plan to address these significant governance issues has been produced and is being implemented. An update against the action plan will be brought to Audit and Governance Committee in January 2026.</p> <p><small>*and as amended by the Accounts and Audit (Amendment) Regulations 2024</small></p> <p>Only minor amendments to the Local Code of Governance have been necessary to keep pace with the Council’s changing governance arrangements.</p>	
20.	Forward Plan (refresh)	281 - 284
	<p>This report sets out the 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.</p>	

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.