

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.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 29 May 2025 at 6.00 pm

Present:-

Cllr E Connolly – Chair

Cllr M Andrews – Vice-Chair

Present: Cllr S Armstrong, Cllr J Beesley, Cllr J J Butt, Cllr E Harman (In place of Cllr M Tarling), Cllr M Phipps, Cllr V Slade, Cllr C Weight and Samantha Acton

Present Virtually: Lindy Jansen VanVuuren

Also in attendance: Cllr S Bartlett (virtual), Cllr P Canavan, Cllr M Cox, Cllr J Salmon (virtual)

1. Apologies

Apologies were received from Cllr M Tarling.

2. Substitute Members

Notification was received that Cllr E Harman was substituting for Cllr M Tarling for this meeting.

Cllr M Andrews in the chair welcomed Cllr J Butt as a newly appointed member of the BCP Audit and Governance Committee.

3. Election of Chair

Cllr M Andrews presided over this item. Nominations were received and seconded for Cllr E Connolly and Cllr J Beesley to be appointed Chair. Both nominees addressed the Committee to give reasons why they should be elected Chair. Following a secret ballot it was:

RESOLVED that Cllr E Connolly be elected Chair of the Committee for the 2025/26 municipal year.

Voting: 6 in favour of Cllr E Connolly and 3 in favour of Cllr J Beesley.

The Chair thanked Cllr M Andrews for his work as the previous chair. She thanked members for their support and explained how she intended to approach the role.

A committee member was advised to direct a query on the secret ballot procedure through the Constitution Review Working Group.

4. Election of Vice Chair

A nomination was received and seconded for Cllr M Andrews to be appointed Vice Chair. There being no further nominations it was:

RESOLVED that Cllr M Andrews be elected Vice Chair of the Committee for the 2025/25 municipal year

5. Declarations of Interests

In accordance with his previous declarations, in relation to Agenda Item 10 Cllr M Andrews reported for transparency that he was guarantor to his daughter's tenancy for a house near Carters Quay.

6. Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 20 March 2025 were confirmed as an accurate record for the Chair to sign.

Voting: For – 7, Against – 0, Abstain – 2

7. Public Issues

The following public issues were received:

Public Questions:

Agenda item 9 – BCP FuturePlaces Investigation scope

Question from Alex McKinstry:

Regarding Item 9 tonight, "BCP FuturePlaces investigation scope" - page 75, paragraph 7, the fourth bullet point:

Some committee members have said they have external sources of information that they believe will be essential to the investigation. Committee members are invited to send/give the investigator any evidence they have ..." (Several provisos then follow.)

Does this invitation extend to councillors not on this committee, former councillors, Council officers, former Council officers, and former FuturePlaces employees? Can you also confirm whether anyone involved in FuturePlaces signed any kind of non-disclosure agreement, which may of course prohibit / inhibit those persons from reaching out?

Response:

If an individual has external sources of information relevant to the agreed scope of the investigation then they are able to send the evidence to the investigator. From an employment law perspective, non-disclosure agreements normally contain confidentiality clauses which restrict any party from raising awareness to the existence of such an agreement and or the terms contained therein.

Agenda Item 10 – Carters Quay Report Update

Question from Alex McKinstry:

Regarding the Carter's Quay update: have the investigators looked at an email (among the online planning records) sent from Inland Homes PLC to a planning officer on 24 August 2021 at 1333 hrs? This describes an upcoming meeting with a senior Council officer "about ensuring we are all on track for implementing in November - as the agreement it will be built for BCP has now been confirmed." The email is striking because at that point, 24 August, the Carter's Quay proposals hadn't been approved by Cabinet (which was on 1 September); nor full Council, which was three weeks away. If this matter has been investigated, what was the basis for that email and do any records of a confirmatory meeting, conducted on or around 24 August 2021, survive? If this matter has not been investigated, could it be inquired into.

Response:

Audit & Governance committee has indicated that a future investigation may be necessary, but the exact coverage and scope will be somewhat dependant on the outcome of the on-going administration of Inland Homes. The email was from a third party and so we have not established why the e-mail was drafted in those terms. Separately, the planning case officer followed due process in accordance with the statutory requirements for planning applications. Cabinet approved the proposal on 1 September 2021 and contracts were entered into subsequently in November.

Public Statements:

Agenda Item 8 – External Auditor - Audit Plan 2024/25

Statement 1 from Philip Gatrell

2023/24 OFFICER'S LOSS OF OFFICE COMPENSATION £37,500 -
"SPECIAL SEVERANCE PAYMENTS" GOVERNMENT GUIDANCE

The guidance emphasises accountability to taxpayers by limiting excessive exit payments to local authority officers.

"EX13" on Financial Regulations 5-54 defines guidance designated approvers and three payment bands.

On that basis the auditor contends there is no ultra vires element within the Compensation and no remedial action is required.

That incorrectly conflates two separate processes:

- The guidance regulates amount. It does not empower terminating staff employment in lieu of the 2015 and 2001 Standing Orders Regulations.
- Termination is not within the Leader's executive powers.

- The guidance reference to “settlement” agreements includes negotiated termination to avoid litigation. £37,500 approximates to three months salary including Monitoring Officer pay element.
- Whichever scenario applied, I explained that termination or “dismissal” of a Monitoring Officer requires under “2015 Regulation 2” Members’ approval before serving notice.
- Officers failed to initiate Members’ approval.

Statement 2 from Philip Gatrell

UNACCEPTABLE ACCOUNTS MISSTATEMENTS PASSING MUSTER WITH OFFICERS AND EXTERNAL AUDITOR

My 27 February 2025 public statements include identified material discrepancies in annual Accounts fixed assets net book values and narratives.

For example, an unflagged £14,162,000 increase in Other Land and Buildings arising between the 2022/23 finalised Accounts and then current 2023/24 draft Accounts.

A later Audit Findings adjustment reverses the increase by a rounded £14.4 million decrease in the 2023/24 final Accounts. The journalised adjustment incongruously contains two £3,400,000 debit items not reciprocal debit and credit.

The adjustment explanation regarding “a school ... converted to an Academy in the prior year not being de-recognised” discloses a concerning initial fundamental error. It also indicates the 2023/24 draft Accounts were prepared referencing 2022/23 draft Accounts figures.

The latter would not adequately explain further irregularities within the 2023/24 draft Accounts fixed assets notes; nor identified similar irregularities between the audited final 2021/22 and 2022/23 Accounts.

Agenda item 9 – BCP FuturePlaces Investigation scope

Statement from Craig Beevers (on behalf of himself and Gail Mayhew)

Dear Councillors,

As the former executive directors of BCP FuturePlaces Ltd, we fully support an independent investigation into the company.

We would be pleased to give evidence in person or in writing on the serious issues that need to be considered. Some of what we say will be surprising to residents and Members.

We understand that the Council is having problems locating original FuturePlaces documents, and most senior employees have left. Without our input, much will not be available to the investigation.

Further, we are concerned that the “investigation” will simply be officers marking their own homework – there is a need for openness and accountability.

If we are not called, then Members and residents may want to ask why this is; Whose interest is being served by excluding our evidence? What don't they want made public?

We look forward to giving evidence in due course

Statement from Alex McKinstry:

Regarding 3.1 of the FuturePlaces scoping proposals - recruitment processes. Of note is an email to Graham Farrant released under FOI, dated 14 June 2021 and describing a three-stage appointment process for a senior officer of the company. Stages 1 and 2 are redacted, but Stage 3 reads:

"The final stage will be a permanent offer of employment as the MD for the URC (which I believe [redacted] has already received from Drew) ... I was open that there will have to be a form of selection to justify the offer and position and that is work we have yet to do but I believe that we can make it safe for scrutiny purposes without causing a huge investment in time and resources"

I have notified the Head of Audit, who will doubtless peruse the entire unredacted email plus any related correspondence.

Agenda items 11 and 12 – Internal Audit – Audit Plan 2025/26

Statement from Philip Gatrell:

OBSERVATIONS CONCERNING ASSETS VULNERABILITY / PHYSICAL VERIFICATION / TRACKING SOFTWARE

"Laptops" expenditure reported to Cabinet on 5 February 2025 was:

| | |
|---------|--------------------|
| 2022/23 | £ 760,000 |
| 2023/24 | £ <u>822,000</u> |
| Total | £ <u>1,582,000</u> |

£888,304 capitalised costs "FOR 2023/24" regarding laptops AND other mobile IT equipment and cellular phones were stated in answer to my unambiguous question on 27 February 2025 requesting those assets' "cumulative cost AT 31 March 2024".

Assuming that answer conformed with my question and factoring in Council's latest estimated 5 years laptop lifespan, a material irreconcilable assets cost decrease arises AT 31 March 2024 relative to the Cabinet figures. Because - although the £888,304 includes non laptop equipment - £1,582,000 was incurred on laptops alone between 1 April 2022 and 31 March 2024.

If in fact £888,304 was the cost of all the defined equipment PURCHASED IN 2023/24, reconciliation anomalies still arise, given an awareness also of the previous IT assets major fraud. Further bearing in mind projected lifespans and Council's "laptops replacement programme" totalling £1,515,000 for 2024/25 and 2025/26.

8. External Auditor – Audit Plan 2024/25

Peter Barber, Barrie Morris and Katie Whybray, representing Grant Thornton, the Council's External Auditor, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

The External Auditor team provided a brief update on the 2023/24 position and responded to questions, with the following points noted:

- The outstanding objection had been concluded. All concerns raised in the objection had been considered, the payment referenced was not ultra vires and no further action was required.
- The closure of the audit remained uncertified because the National Audit Office (NAO) had yet to complete its work on the Council's Whole of Government Accounts. This was a national issue affecting all councils not just BCP. The risk was confirmed as minimal.
- The uplift had increased the audit fee to £493,539. The delay in certifying the audit's closure would not adjust the fee further.
- The audit fee was driven by a scale fee set annually by the Public Sector Audit Appointments (PSAA). Any variation was subject to challenge by the PSAA and the Council. BCP Council's fee was considered appropriate for the size and complexity of its accounts. Fee comparison data was publicly available at [PSAA Auditor Directory 2024 to 2025](#)
- It was confirmed that FuturePlaces was referenced in the Value for Money (VFM) conclusions which had found that the Council's governance arrangements as a whole were now effective.

The Committee was advised of the work planned in undertaking the audit of the Council's Statement of Accounts 2024/25, as detailed in the Appendix 1. The Audit Plan set out key developments impacting the audit approach, identified risks (including International Financial Reporting Standards (IFRS) 16), group audit, the IT audit strategy and value for money arrangements. Details of the fee estimate were also included.

The External Auditor team and officers responded to questions, with the following points noted:

- On VFM arrangements, it was confirmed that prior year recommendations were checked to see if they had been addressed
- The Council was in a better starting position for the 2024/25 audit than others and in the next few years the level of assurance should increase to a point of giving an unmodified opinion on the accounts.
- The Chief Financial Officer agreed to confirm how the audit fee appeared in the 2025/26 budget compared to the proposed fee.
- The procedures for considering and rebutting the risk of fraud in revenue and expenditure cycles were explained

- A lower materiality figure was specified for senior officer remuneration disclosures but not for other areas
- Risks relating to national/global events were considered to some extent, however the main focus was on risks which had a direct impact on the Council's financial statements and VFM arrangements
- The same Grant Thornton team now audited the accounts for Dorset County Pension Fund (DCPF), meaning there would be more awareness of the progress of DCPF's audit
- An assessment of Barnett Waddington's approach as actuary including an evaluation of its assumptions and data would form part of the External Auditor's audit opinion
- The audit procedures in relation to non-rebuttable presumed risk of management override, included focussed testing to identify unusual journals and testing for new/unusual/complex items
- The escalation policy aimed to address delays in the production of financial statements. For urgent matters there was a mechanism for the External Auditor to expedite any concerns to the Chair.

Members raised concerns about the implications of IFRS16 in relation to leases, particularly the potential impact on community organisations and whether it was factored into the Internal Audit Plan. It was noted that the Audit Plan was an evolving document and that Internal Audit would liaise with management on expected issues and actions. The Portfolio Holder confirmed that much work had already been completed by the Finance team in preparation for the external audit.

RESOLVED that the Grant Thornton External Audit Plan 2024/2025 for the Council be noted.

Voting: Unanimous

Following this item the meeting was adjourned for a short comfort break.

9. BCP FuturePlaces Investigation Scope

The Chair introduced this item and drew attention to the use of language when referring to the independence of the committee and its investigations and the HAMA's role in reporting to members objectively and independently.

The Head of Audit and Management Assurance (HAMA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book. The report set out the proposed scope of an investigation into the arrangements in place for the creation, operational running and closure of BCP FuturePlaces Limited. The scope took into account what was resolved at the last meeting on 20 March 2025. It was noted that at the conclusion of the internal audit led investigation there could still be gaps in understanding and the Committee could decide that further investigation through other means was required.

The HAMA assured the committee that the more detailed 'sub questions' submitted by members in relation to the scope would be included in an appendix which would explain where they were referenced in the report. He confirmed that external sources of information would be considered if relevant to the agreed scope. The interim report would enable the committee to receive input from the Chief Executive before his retirement. The Committee was also reminded of the procedures in place should any attempt be made to influence the HAMA in carrying out his role.

In response to questions the HAMA signposted members to various sections of the scope where the points they raised were covered. It was noted that information provided in the March 2025 committee report could answer some of the detailed sub questions, however the HAMA's report would be able to consolidate this information in one place. He confirmed that additional points could be considered throughout the reporting process.

A councillor not on the committee asked that Cabinet be requested to draw up costings for an external investigation. This was not intended to question the independence of Internal Audit but would appear more independent to the public. A committee member spoke in support of this and felt that it would allow members to make a more informed decision. Other members agreed that the committee should undertake its own investigation first, then, if necessary, refer any residual matters externally at a later date. It was noted that the committee had already discussed these issues at length at the last meeting and now needed to move on and agree the scope.

Members welcomed the opportunity for external evidence to be submitted. As two former FuturePlaces executive officers had submitted a public statement, it was considered appropriate to formally invite them to submit any evidence relevant to the scope of the investigation to the HAMA. It was suggested that clarity around non-disclosure agreements would be helpful and a closer look at governance and safeguards

Members considered the detailed points circulated in advance of the meeting and put forward by Cllr S Armstrong for inclusion in the scope. These related to whether any steering groups or advisory groups to FuturePlaces Ltd existed and its relationships with other bodies, initiatives and companies and council companies/delivery vehicles. It was agreed to include these points into the scope in a way the HAMA thought appropriate for public consumption, so that he could take the purpose behind the questions and put it into the same language as the rest of the scope.

Members considered the proposed reporting timescales. The Chair agreed to a suggestion to arrange an additional meeting in August 2025 to allow more time to prepare an interim report. Members were reminded of the need to factor in availability during August. Members asked to retain an item on the agenda for the July meeting but accepted that an interim report at that stage would need to be in whatever form the HAMA could achieve in that timescale.

RESOLVED that the Committee agrees

- **the scope of the Internal Audit investigation as shown at Appendix 1 as amended following the committee's discussion;**
- **to expect interim reports on 24 July 2025 and at an additional meeting to be arranged in August and a final report on 4 September 2025 or 16 October 2025;**
- **any recommendations arising from the investigation will be assigned to a lead officer and have a target date for implementation. A&G will monitor implementation in line with High (priority) recommendations.**

Voting: Unanimous

Cllr S Armstrong wished it to be recorded that she voted for the resolution but supported the request for costings of an external investigation.

A request to speak on this item from a councillor not on the committee (Cllr P Canavan) was omitted in error for which the Chair apologised.

10. Carters Quay Report Update

The Committee had previously agreed to add to its forward plan an investigation into the Council's governance and processes around regeneration projects with a focus on Carters Quay. In the meantime, Members had requested an update on Carters Quay for this meeting. The Chair advised that the following information had been received from the Director, Investment and Development:

"Following the meeting in March, the Council has reiterated its formal offer to the Administrator and instructed legal advisors to prepare a robust response given the lack of progress since last year. Cabinet and Council will be presented with an option report in August to agree a way forward. The Committee are reminded that the Council has a charge over the land which means the Administrator cannot sell the land without the Council's agreement to release."

The Committee was advised that the Director, Investment and Development, had offered to produce a timeline of key events as a recap for members.

Some members were concerned at the lack of progress in scoping the investigation they had asked for. A councillor not on the committee argued that the investigation was retrospective and should not affect whatever legal process was now underway. It was suggested that a report on the timeline of key events, setting out clearly 'how we got to where we are', could provide the committee with a better understanding and help inform members when scoping the investigation at a later date. As some of this information had already featured in previous reports including to the overview and scrutiny committee, the Chief Executive agreed that a report

of this nature, focussing on governance and process, could be produced for the next meeting on 24 July meeting. This would enable members to ask questions before deciding when and how to scope an investigation.

It was also agreed to circulate by email the update provided by the Director, Investment and Development together with the advice previously provided by the Monitoring Officer on what the committee can/cannot undertake at the present time.

11. Internal Audit – Audit Plan 2025/26 Response to Queries

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

At the meeting on 20 March 2025, the approval of the 2025/26 Internal Audit Plan was deferred to provide clarification on nine points raised at the meeting by one of the independent Persons and which derived from the Institute of Internal Auditor's (IIA) Supplementary Guidance (non-mandatory) document "Developing a Risk Based Internal Audit Plan". The report responded to each point and clarified the process followed in determining the Internal Audit Plan and demonstrating conformance to the IIA's mandatory requirements of the International Professional Practices Framework 2024 (IPPF).

The Committee was assured that the Chief Internal Auditor was satisfied that the Internal Audit team complied with relevant mandatory audit standards in producing the Internal Audit Plan. Information provided to the Committee continued to evolve over time with the aim of providing a level of content which was helpful without being unnecessarily detailed. As a trial, additional information had been incorporated into the Internal Audit – Audit Plan 2025/26 report, including more detail on work planned in quarter one, and further details for the whole year subsequently circulated.

The Chair thanked the Head of Audit and Management Assurance (HAMA) for arranging a briefing session in preparation for this meeting to go through the responses with members in more detail. Members agreed this had been a very useful and accessible session. The Chair commented on Internal Audit's risk based approach and members supported the suggestion of including a briefing at a non-core meeting on how Internal Audit achieved 'comfort' with its coverage. It was also intended to use the Committee's Teams channel to provide more detailed information for those who wanted it.

One of the Independent Persons noted that one of the Council's corporate risks, (CR27 – We may fail to adequately address concerns around environmental impacts) did not seem to feature in the 25/26 Audit Plan. The HAMA stated that it was difficult to cross reference and immediately respond to that comment in the meeting. He would take it away and provide

a written response to be circulated to the whole committee and included in the minutes, as set out below:

“Corporate Risk 27 “We may fail to adequately address concerns around environmental impacts” is further described as “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.” This risk was added to the risk register in March 2025. A 2024/25/26 (cross-over year) audit of Flood and Coastal Erosion Risk Management (FCERM) is currently underway, of which the scope comprises FCERM Commercial Operations (including business cases, grant funding bids), Procurement Activity and Team Resilience (capacity/expertise). A draft report is expected next week and the outcome of the audit will be included in the July Internal Audit quarterly update report. As part of the on-going review of the audit plan, this will be considered again during the year, particularly given the emerging nature of the risk on the corporate risk register and the outcome of the audit. For information - please note there is a further environmental corporate risk, CR20 “Potential of climate change to outstrip our capability to adapt” is in relation to the BCP Council’s response to its declared climate and ecological emergency. This risk is included in the proposed Sustainable Environment audit, currently planned for quarter 3, as per the schedule circulated to Audit & Governance Committee.”

RESOLVED that the responses to the audit planning queries raised at the Audit & Governance Committee on 20 March 2025 be noted

Voting: Unanimous

12. Internal Audit - Audit Plan 2025/26

The Audit Manager 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.

This report was originally brought to Audit & Governance Committee on 10 March 2025. Following queries raised at the March meeting, a separate updated version of the report was now brought to this Committee as explained in the preceding agenda item.

Members noted that the final Internal Audit Plan for 2025/26 had been produced and that completion of the plan would 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 was considered adequate to deliver the Internal Audit Charter and Audit Plan for 2025/26.

In response to Independent Persons’ feedback, the Chair agreed to consider adjusting the order of agenda items for future meetings to bring forward internal audit reports when it was expedient to do.

RESOLVED that

- (a) the Internal Audit Plan 2025/26 including the detailed breakdown of quarter 1 audits be approved;**
- (b) 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 2025, be noted**

Voting: Unanimous

The meeting ended at 9.23 pm

CHAIR

ACTION SHEET – BCP AUDIT AND GOVERNANCE COMMITTEE

Updated – 4 July 2025

| Minute number | Item | Action* *Items remain until action completed. | Who | Outcome |
|----------------------------------|--|--|---------------|---|
| Meeting Date: 29 May 2025 | | | | |
| 8 | External Auditor – Audit Plan 2024/25 | Provide committee with written response to confirm the 2025/26 budget allocation for the fee for the external audit programme of work | Adam Richens | √ Email sent 30/5/25 |
| | | Provide the committee with a link to audit fee comparison information on PSAA website https://www.psaa.co.uk/wp-content/uploads/2023/08/Auditor-Directory-for-Website-2024-2025-as-at-16-05-2025-1.xlsx | Jill Holyoake | √ Email sent 3/6/25 |
| 9 | BCP FuturePlaces Investigation Scope | Invite Craig Beevers and Gail Mayhew to submit any evidence relevant to the scope of the investigation to the Head of Audit and Management Assurance (HAMA) | Jill Holyoake | √ Email sent 3/6/25 |
| | | Confirm date of additional meeting in August for interim report in consultation with Chair and HAMA | Jill Holyoake | √ Email sent 10/6/25 – date confirmed as Monday 18 August at 6.00pm |
| 10 | Carters Quay Report Update | Provide report to next meeting on 24 July detailing the background to the current position with a focus on process and governance | Amena Matin | √ Added to agenda for 24 July |

| | | | | |
|-----------|--|---|--------------------------------------|--|
| | | Circulate by email the update provided to this meeting and include the advice previously provided by the Monitoring Officer (MO) on what the committee can/cannot undertake at the present time | Jill Holyoake | √ Email sent 10/6/25 |
| 11 and 12 | Internal Audit – Audit Plan 2025/26 | Add to Forward Plan for a non core meeting a briefing on how Internal Audit decides on and 'gets comfortable' with its audit plan coverage | Nigel Stannard | √ Added to Forward plan for next non-core meeting – 4/9/25 |
| | | Provide committee with a written response (and include in the minutes) to comment made that one of the Council's corporate risks, CR27 does not seem to feature in the 2025/26 Audit Plan | Nigel Stannard | √ Email sent 3/6/25 |
| | | Consider order of agenda items on a meeting by meeting basis | Chair in consultation with officers. | √ Has been built into committee agenda planning and briefing cycle |

AUDIT AND GOVERNANCE COMMITTEE

| | |
|----------------------------|---|
| Report subject | Carters Quay |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>The Audit and Governance Committee requested an update on the issues at Carter's Quay as part of the Corporate Risk Register.</p> <p>This report outlines the due diligence undertaken prior to acquisition, the decision-making process and subsequent activity post-contract.</p> |
| Recommendations | <p>It is RECOMMENDED that Audit and Governance Committee:</p> <p>1 Notes the process under which the contract was entered and the context in which it was agreed</p> <p>2 Accepts that ongoing work is necessary to reach a resolution and</p> <p>3 Notes that a report will be taken to Cabinet in due course.</p> |
| Reason for recommendations | To ensure any decision taken by Council on any significant capital project financed by borrowing has strengthened governance. |
| Portfolio Holder(s): | Cllr Mike Cox, Cabinet Member for Finance |
| Corporate Director | Glynn Barton, Chief Operating Officer |
| Report Authors | Amena Matin Director, Investment and Development |
| Wards | Hamworthy |
| Classification | For noting |

Background

1. Further to the Audit and Governance Committee in May, this report provides an update on the process and governance related to the acquisition of 161 homes at Carter's Quay
2. The Council has instructed legal advisors to consider the routes to bringing this matter to conclusion given there is little response from the Administrator. As advised previously to the Committee, there is a legal charge over the land which runs with the Sale Agreement and prevents the Administrator from selling the site without the explicit consent of the Council. It should be noted that Cabinet will be updated later this year on the status of the negotiations with the Administrator and the options available to the Council.

3. Assessment of process and governance

4. The process taken at the time engaged members and officers acted in accordance with Council procedures. Matters were escalated and discussed with Senior Cabinet members to ensure the risk was fully understood and to ensure transparency around the significant investment being made.
5. All decisions were taken in line with the Council's Constitution and the Standing Orders at the time and all major decisions were taken through the Cabinet and Council as appropriate. The Council decision of 14 September 2021 was not unanimous, and some councillors spoke against the decision but passed it on a majority vote.
6. To support the legal and financial due diligence, external advisors were appointed to advise on the valuation (Gerald Eve) as well as the legal structure and draft the form of agreement (Bevan Brittain). This additional expertise was to ensure that the investment was structured in a way which represented best consideration for the Council.
7. Based on the evidence available, the following are relevant considerations for how the Carter's Quay acquisition came about:
 - Was sufficient time allowed to fully consider the proposed acquisition terms and build programme post Cabinet, due to the consented scheme expiring at a fixed time?
 - Was there undue external influence and pressure from Inland Homes related to planning approvals and the acquisition terms?
 - Was there too much Senior Councillor engagement with officers and strong direction to complete the acquisition?
 - Was there adequate consideration of the contractual structure and the financial and legal implications?
 - Was there too much reliance on limited Intelligence and restricted knowledge of the developer and market?
 - Was there sufficient risk assessment for all eventualities in the market, including insolvency, including for the parent company which provided the Parent Company Guarantee?

8. The following table sets out the steps prior to contract and the role of members and officers in the decision-making process.

| <u>Activity</u> | <u>Date</u> |
|---|---------------|
| Approach made by Inland Homes to senior councillors. In November 2020, the Council commenced discussions with Inland Homes to acquire Phases 4,5 and 6 of the residential scheme at Carter's Quay, Poole. Inland Homes were seeking a forward funder for the build out of the consented scheme which was due to lapse in Nov 2021. | November 2020 |
| <p>Asset Investment Panel : members included the then Leader and Deputy Leader of the Council (Cllr Drew Mellor and Cllr Philip Broadhead) Chief Executive, CFO and Director of Finance, Development Director, Strategic Projects and Investment Manager, Estate Operations Manager and Finance Manager.</p> <p>Discussions about potential acquisition of Carters Quay Private Rental Scheme (PRS), development appraisal and price, financial model and valuation. Inland Homes had a price expectation which could not be met based on the initial investment appraisal.</p> | 8 March 2021 |
| <p>Asset Investment Panel - via email from officers to the IP members requesting approval for a budget of £7500 for an independent valuation.</p> <p>That scheme is not a viable investment for BCP at the proposed price by Inland Homes, recommends an independent valuation to agree a negotiated price and proposal to progress to offer a fixed price.</p> <p>Deputy Leader wrote to the officer confirming agreement to proceed with the independent valuation.</p> | 7 April 2021 |

| | |
|--|--------------------------|
| <p>Asset Investment Panel</p> <p>Panel considered a structure whereby the Council would buy the freehold of the land (at the valuation agreeable by both parties) and then enter into a development agreement with Inland Partnerships Limited for the construction of the scheme in compliance with the planning consent and the terms of S106 agreement.</p> | <p>August 2021</p> |
| <p>External legal advisors were commissioned to advise on the structure of the transaction and drafting the contracts. Their advice covered the contractual structure and relevant matters such as Stamp Duty Land Tax and limiting procurement risk.</p> | <p>10 August 2021</p> |
| <p>Overview and Scrutiny Committee – the then Leader presented the report proposing the acquisition via a sales agreement and transfer of title on completion of works.</p> <p>O&S agreed and also requested that the gas boilers are replaced in line with the Climate agenda</p> | <p>23 August 2021</p> |
| <p>Cabinet approved the scheme and fixed price, via a confidential report:</p> <p>Agreement for Sale for the purchase of the land and completed buildings. The agreement will detail the contractual obligations and a deferred payment schedule setting out how the funds will be drawn down during the build period.</p> <p>Parent Company Guarantee, with an initial value equal to the build value which will decline over the term of the build to a minimum of 20% of the build price.</p> | <p>1 September 2021</p> |
| <p>Full Council approval for authority to acquire Phases, 4,5 and 6 at Carter's Quay passed by a majority</p> | <p>14 September 2021</p> |
| <p>Email from lead officer to the then Leader of the</p> | <p>4 November 2021</p> |

| | |
|--|-----------------------|
| <p>Council requesting a call to discuss the acquisition in response from pressure by Inland Homes to exchange contracts. The Leader's response to the request was "just go ahead and sign" [the ODR]</p> <p>ODR for 'Sale Agreement' dated 4 November 2021 with Inland Partnerships limited (IPL), for the Phases 4, 5 and 6 scheme with the benefit of a planning permission. The contract terms agreed an Advance Payment, payments throughout build and a Charge entered into over the land to the benefit of the Council. In addition, Inland Partnerships Limited provided a Parent Company Guarantee as set out above.</p> | |
| <p>Contract completion:</p> <p>BCP and IPL entered contract for a 24 month build programme to November 2025, target and longstop dates and a legal mortgage which prevents the disposal of the site without consent of the Council.</p> | 4 November 2021 |
| Works commenced on site (site clearance, and below ground works such as piling) | 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 in return for payment of additional sums. | 15 January 2024 |
| BCP Council reject Administrators offer, with counteroffer | 29 April 2024 |
| BCP Council instructs external legal advisors (insolvency specialists) to provide advice and assistance. | November 2023 to date |

Background papers

Carters Quay Housing and Regeneration scheme 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>

AUDIT AND GOVERNANCE COMMITTEE

| | |
|----------------------------|--|
| Report subject | Information Governance Update |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | Information Governance update report to the Committee, providing performance management information. |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>(a) Committee note the Information Governance (IG) performance management information (PMI) for the Financial Year 2024/25 (Q1 to Q4) contained in this report.</p> <p>This includes requests received under the Freedom of Information Act 2000 (FOIA), Environmental Information Regulations (EIRs), Data Protection Act 2018 (DPA) and other agency disclosure requests.</p> <p>(b) Committee note that currently a review is underway by leadership team of the function of IG within BCP Council.</p> |
| Reason for recommendations | Its purpose is to provide an update to the Committee since its last report in April 2024 of the IG function within the Council. |

| | |
|----------------------|---|
| Portfolio Holder(s): | Councillor Jeff Hanna |
| Corporate Director | Janie Berry, Service Director, Law & Governance |
| Report Author(s) | Nigel Channer, Data Protection Officer, Team Leader of Information Governance |
| Wards | Council-wide |
| Classification | For update and information. |

1 Background

- 1.1 The main objective of the Freedom of Information (FOI) Act was to make authorities and public bodies more open and transparent regarding the information they hold.
- 1.2 The FOI Act and the Environment Information Regulations (EIR) are similar and are handled through the same process. The figures given below are both FOI and EIR requests as well as Subject Access Requests.
- 1.3 The FOI Act does not require an authority to create information to satisfy a request, simply to provide information that is held by the Council.
- 1.4 Public Authorities are required to respond to FOI/EIR requests within 20 working days from the after the request was received. The deadline for responding to request may be extended where authorities are considering the public interest test.
- 1.5 All requests must be received in writing, usually via BCP email address.

2 Information Governance (IG) Function

- 2.1 IG allows the Council and its employees to ensure that both business and personal information is dealt with legally, securely, efficiently and effectively in order to deliver the best possible services.
- 2.2 The IG Team are the point of contact for specialist IG advice, reviews of council procedures and policies.
- 2.3 BCP Information Governance Board provides overarching responsibility for compliance and reviews the PMI. The IG team are supported by a network of Information Assets Advisers in services who process requests.

3 Performance Management Information (PMI)

- 3.1 Appendix A – Tables 1-7 provides performance management information for the financial year April 2024 and March 2025 being Q1-Q4 including Key Highlights.
- 3.2 The target response rate set by the Information Commissioner's Office (ICO) for requests for information under the FOIA/EIRs is 90% (Appendix p5).

The Council's average response rate over the last years has been:
83% for 2024/25; 82% for 2023/4; and 88% for 2022/23 (Table 4).

3.3 There has been an increase in volumes by a rise of 7% of requests for FOI/EIR, 26% for DSAR and 4% for Disclosures compared to last year.

4 Internal Reviews

4.1 If a requestor is dissatisfied with the way their initial FOI/EIR request was handled, they can ask for an Internal Review, which will be conducted by an independent officer not involved in the original decision.

4.2 In this reporting period a total of 35 internal reviews was conducted representing 2% of all requests. Of these 14 the original decision was maintained, 13 partly upheld and 8 were not upheld (Table 5).

5 Information Commissioner

5.1 If, following an internal review, a requestor remains dissatisfied with the response they can approach the Information Commissioners Office (ICO) to ask them to review the decision.

5.2 During this reporting period a total 13 enquiries were received from the ICO comprising 10 related to FOIA and 3 DPA. Of these the ICO upheld the decision of the Council for 7 cases, partially upheld for 1 and 1 against with 4 settling without a decision notice (Table 6).

6 Training

6.1 We observed completion of mandatory Cyber awareness and Data Protection training for BCP colleagues continues to increase with 86% and 85% respectively for each subject compared to 67% and 65% for the previous #3 years reporting periods (Table 7).

7 Projects

7.1 To meet the future challenges the new Law and Governance leadership team have commenced a review of the FOI process within BCP to better meet the expectations of the customer and ICO target response rate.

7.2 In preparation for the use of Artificial Intelligence (AI) across the organisation, IG and IAA's are supporting the introduction of key IT technologies that form the cornerstone to using AI in ways that comply with data protection principles.

Options Appraisal

1. Not applicable – this is an update report for information.

Summary of financial implications

2. The Information Commissioner's Office is empowered to take enforcement action and impose sanctions, which can include significant financial penalties.

Summary of legal implications

3. Data subjects can bring claims for compensation in cases where their privacy rights have been breached.

Summary of human resources implications

4. There are no human resources implications from this report.

Summary of sustainability impact

5. There are no sustainability implications from this report.

Summary of public health implications

6. There are no public health implications from this report.

Summary of equality implications

7. There are no equality implications from this report.

Summary of risk assessment

8. Not applicable – this is an update report for information.

Background papers

None

Appendices

Appendix A - (Tables 1-7) – Performance Management Information

Information Governance Performance Management Indicators

A&G Committee July 2025

Table 1 – All requests for Information by type 2024/25

Requests types split 62% of request for FOI/EIR, 16% SAR, 22% Disclosure
Highest volumes of requests processed by Wellbeing 30% and Children’s Services 31%

Table 2 – All Request for information – yearly comparison

Volumes of requests continue to increase year on year across all request types
2024/25 increase in volumes compared to 2023/24 FOI/EIR 7%, DSAR 26%, Disclosure 4%

Table 3 – Service Unit FOI/EIR Response rates 2024/25

Improvement trend since Q2 @ 79% to Q4 @ 87%
5 service units met an average of 90 % and above for FY 24/25

Table 4 – BCP FOI/EIR response rates – yearly comparison

Number FOI requests increasing year on year
FY 24/25 15% increase in volume on previous year 23/24

Table 5 – BCP Internal Reviews 2024/25

Number of internal reviews represents 2% of overall number of requests – indicating 98% of applicants satisfied with first response
Increase in number of reviews also corresponds with increase in overall request volumes

Table 6 – Complaints to Information Commissioner 2024/25

13 complaints during FY 2024/25 (Represents less than 1% of all BCP FOI requests)
7 outcomes upholding BCP position
1 partly upheld
1 complaint in breach of S10 – not meeting 20 working days

Table 7 – BCP Cyber Security and DPA Mandatory Training

Numbers completing DPA mandatory training continues in upward trend
Average headcount taken over period, rolling percentage of compliance across the organisation



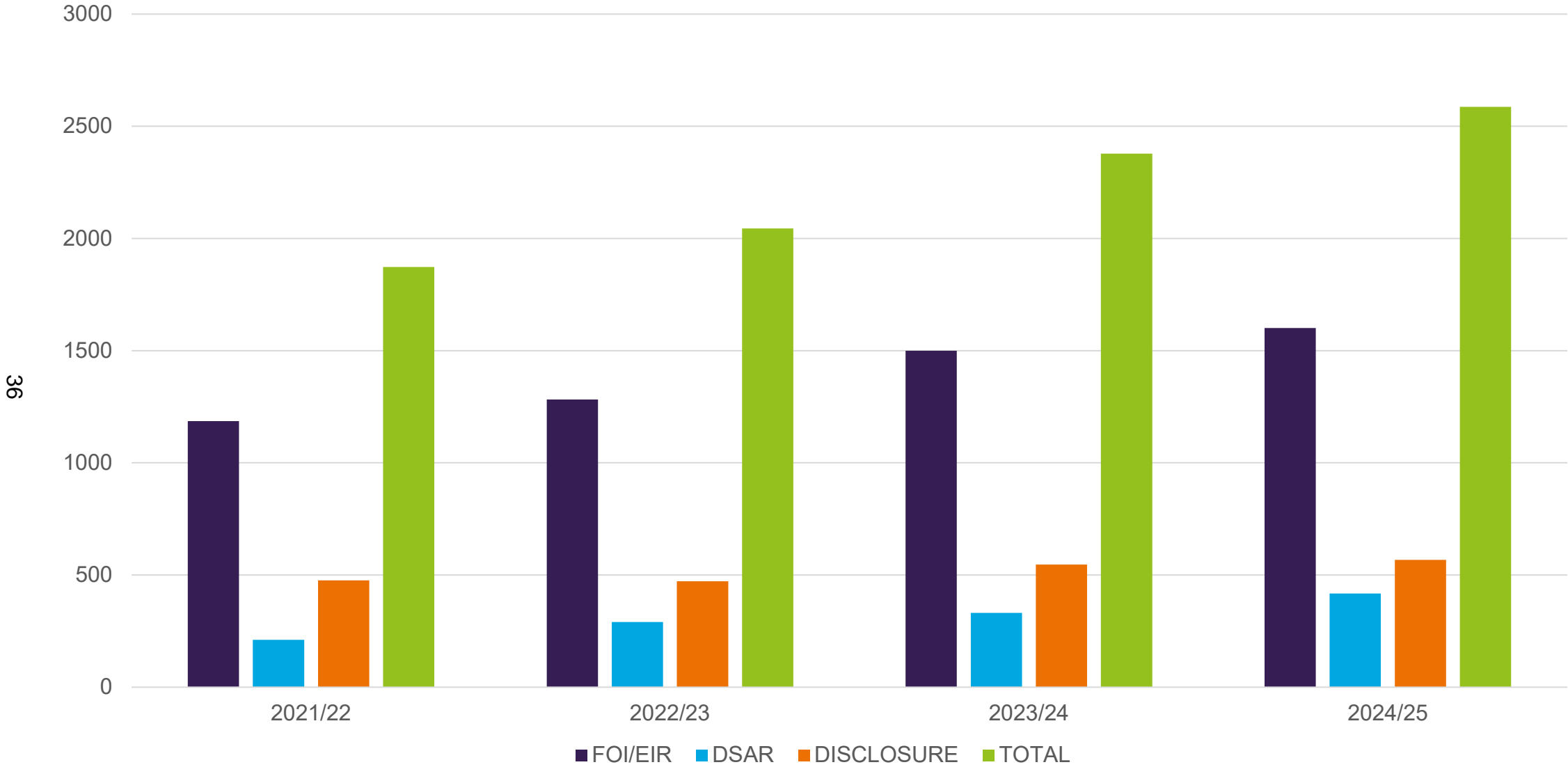
Table 1 BCP Council All Requests for Information by type 2024/25



| DIRECTORATE | SERVICE UNIT | DISCLOSURE | DPA SAR | FOI & EIR | TOTAL |
|------------------------|-----------------------------|------------|---------|-----------|-------|
| Wellbeing | Adult Social Care | 161 | 79 | 78 | 318 |
| | Communities | 1 | 7 | 190 | 198 |
| | Housing | 48 | 48 | 152 | 248 |
| Children's Social Care | CSC | 339 | 215 | 85 | 640 |
| | Education & Skills | 1 | 17 | 135 | 153 |
| Commercial Operations | Planning | | 3 | 156 | 159 |
| | Transport | | 2 | 112 | 114 |
| | Commercial Operations | | 6 | 95 | 101 |
| | Environment | | 1 | 175 | 176 |
| Law & Governance | Corporate (Cross Cutting)* | 16 | 21 | 67 | 104 |
| | Legal & Democratic Services | | 1 | 42 | 43 |
| Finance | Finance | | | 98 | 98 |
| | Revs & Bens | 1 | | 87 | 87 |
| | Procurement | | | 27 | 27 |
| People & Culture | People & Culture | 1 | 17 | 44 | 62 |
| IT & Programmes | IT & Programmes | | | 47 | 47 |
| | Marketing, Comms & Policy | | | 6 | 6 |
| | Customer, Arts & Policy | | 1 | 5 | 6 |
| | | 568 | 418 | 1601 | 2587 |



Table 2 BCP Council ALL requests for information – yearly comparison





Information Commissioner’s Office (ICO) target for FOI/EIR response rates

37

| | | | |
|-----------------------|--|--|---|
| Good | 95% or more of requests are responded to within 20 working days. | 95% or more of internal review requests are responded to within recommended timescales. | Complaints to the ICO about late responses and failure to respond are rare and rarely upheld. |
| Adequate | 90 to 95% of requests are responded to within 20 working days. | 90 to 95% of internal review requests are responded to within recommended timescales. | Complaints to the ICO about late responses and failure to respond are occasional and sometimes upheld. |
| Unsatisfactory | Fewer than 90% of requests are responded to within 20 working days. | Fewer than 90% of internal review requests are responded to within recommended timescales | Complaints to the ICO about late responses and failure to respond are frequent and often upheld. |



Table 3 BCP Council FOI/EIR Response Rates 2024/25



38

| | SERVICE UNIT | Q1 | Q2 | Q3 | Q4 | Year Average |
|------------------------|-----------------------------|------|------|------|------|--------------|
| Wellbeing | Adult Social Care | 88% | 81% | 91% | 95% | 89% |
| | Communities | 90% | 89% | 94% | 79% | 88% |
| | Housing | 86% | 69% | 70% | 78% | 76% |
| Children’s Social Care | CSC | 88% | 70% | 88% | 95% | 85% |
| | Education & Skills | 94% | 100% | 90% | 83% | 92% |
| Commercial Operations | Planning | 72% | 79% | 92% | 92% | 84% |
| | Transport | 91% | 75% | 100% | 97% | 91% |
| | Commercial Operations | 89% | 78% | 100% | 85% | 88% |
| | Environment | 66% | 66% | 80% | 91% | 76% |
| Law & Governance | Corporate (Cross Cutting) | 71% | 58% | 100% | 80% | 77% |
| | Legal & Democratic Services | 25% | 86% | 58% | 87% | 64% |
| Finance | Finance | 82% | 46% | 60% | 70% | 64% |
| | Revs & Bens | 85% | 100% | 92% | 78% | 89% |
| | Procurement | 100% | 86% | 100% | 100% | 96% |
| People & Culture | People & Culture | 100% | 91% | 55% | 82% | 82% |
| IT & Programmes | IT & Programmes | 100% | 100% | 100% | 94% | 98% |
| | Marketing, Comms & Policy | | 60% | | | 60% |
| | Customer, Arts & Policy | 100% | 100% | | 100% | 100% |
| | | 84% | 79% | 85% | 87% | 83% |



Table 4 BCP Council FOI/EIR response rates yearly comparison

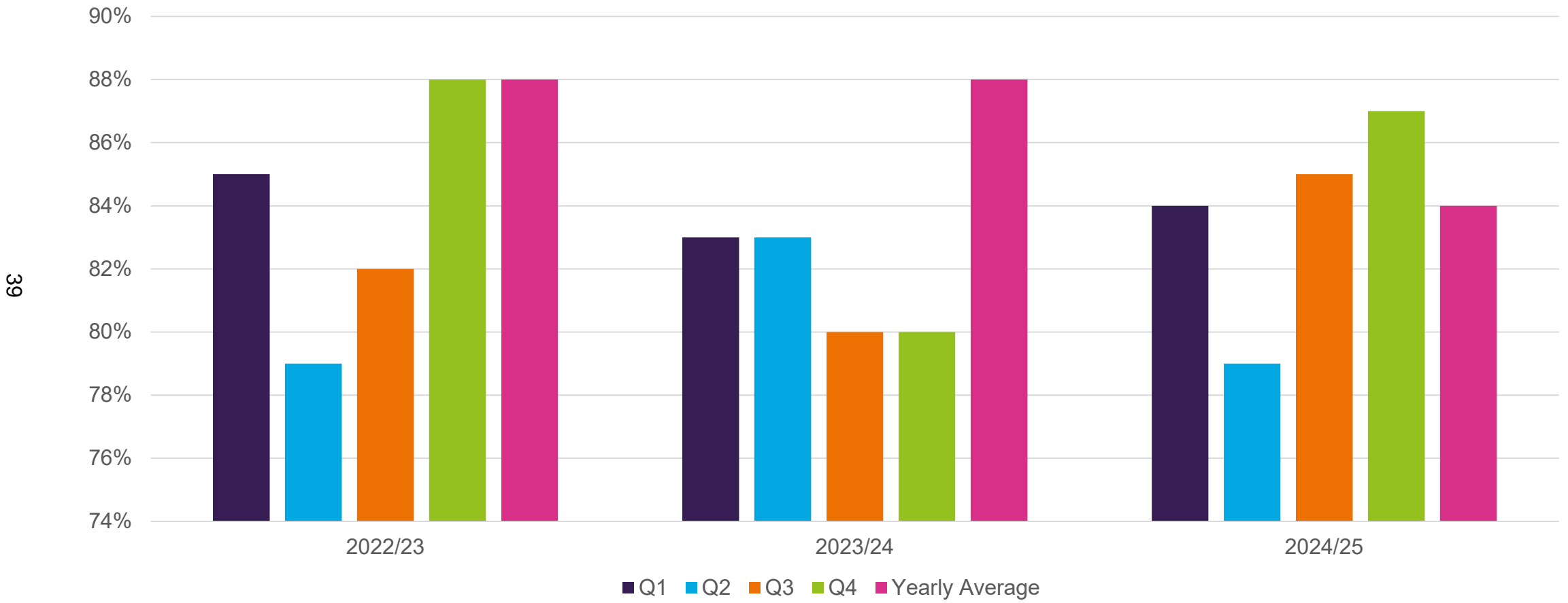




Table 5 Internal Reviews of FOI/EIR carried out by IG team 2024/25

Requests for Internal Reviews

- 35 internal reviews – 2% of total requests
(Indicates 98% requestors satisfied with first response)

Internal Review Outcomes

- 14 Position Maintained
- 13 Partial Information released
- 8 Full information released



Table 6 Complaints taken to the Information Commissioners Office (ICO) 2024/25

Number of appeals taken to ICO

- 10 FOIA – 0.6% of total requests processed (30% of internal reviews)
- 3 DPA – 0.7% of total requests processed

ICO Decision Outcomes

- 7 Upheld in favour of BCP Council
- 1 Partly upheld
- 1 against BCP Council
- 4 Settled without Decision Notice



Table 7 BCP Council Colleagues - Cyber Security & DPA mandatory IG training

| | Cyber Awareness and Staying Safe Online | Introduction to Data Protection | Headcount | Compliance Cyber | Compliance Data Protection |
|----------------------|---|------------------------------------|-----------|------------------|-------------------------------|
| Dec 2020 to Dec 23 | 4204 | 4076 | 6273 | 67% | 65% |
| Jan 2024 to Apr 2025 | 5260 | 5251 | 6115 | 86% | 85% |



Audit & Governance Committee



| | |
|-----------------------------|---|
| Report Subject | Treasury Management Monitoring Outturn 2024/25 and update for Quarter 1 2025/26 |
| Meeting date | 24 July 2025 |
| Status | Public |
| Executive summary | <p>This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2024 to 31 March 2025.</p> <p>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.</p> <p>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.</p> |
| Recommendations | <p>It is recommended that Audit & Governance Committee:</p> <ol style="list-style-type: none"> 1) note the reported activity of the Treasury Management function for 2024/25 2) note the reported activity of the Treasury Management function for April to June 2025 |
| Reasons for recommendations | <p>It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members.</p> <p>Council is required to approve any changes to the prudential indicators based on a recommendation from the Audit & Governance Committee.</p> |
| Portfolio Holder | Councillor Mike Cox, Portfolio Holder for Finance |
| Corporate Director | Graham Farrant, Chief Executive |
| Service Director | Adam Richens - Chief Financial Officer |
| Classification | For information and recommendation |
| Report author | <p>Russell Oakley, Finance Manager - Technical russell.oakley@bcpcouncil.gov.uk</p> <p>Matthew Filmer, Assistant Chief Financial Officer matthew.filmer@bcpcouncil.gov.uk</p> |

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.
2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2021).
3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.
4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments and compliance with prudential indicators.

Economic Background (Link Treasury Services)

5. On 8th May, the Bank of England's Monetary Policy Committee (MPC) voted 5-4 to reduce the Bank Rate 0.25% to 4.25%. A further vote on 19 June saw the committee hold this rate.
6. CPI inflation fell over the last quarter of 2024/25 from 3.0% in January to 2.6% in March. Increases in business national insurance and national minimum wage in April 2025 coincided with what is described as an Easter blip as core CPI increased to 3.8% before falling again to 3.5% in May.
7. A weakening job market is set to loosen wage pressures and assist the continued fall in inflation which is expected to meet the Bank of England 2.0% target by the start of 2027. Global events do provide a near term risk to this prediction if the result is an increase to oil, gas and food prices.
8. The 10-year gilt yield fluctuated between 4.4% and 4.8% before ending the quarter at 4.5%, the market is sensitive to government borrowing and has risen since the spring statement. PWLB borrowing rates remain influenced by this market with long term rates falling slower than the Bank of England Base rate.
9. The Bank rates are not expected to be cut in August but likely in November provided inflation continues to fall. The Monetary Policy Committee continue to suggest gradual and careful rate cuts which are expected to reach 3.5% during 2026.

Interest Rates

10. Table 1 below, produced by the authority's treasury consultants Link Asset Services, sets out their current projection of interest rates over the medium term.

Table 1: Interest rate projection (Link Treasury Services)

| Interest Rate Forecasts | | | | | | | | |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 |
| MUFG CM | 4.25% | 4.00% | 3.75% | 3.75% | 3.75% | 3.50% | 3.50% | 3.50% |
| Cap Econ | 4.00% | 3.75% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
| 5Y PWLB RATE | | | | | | | | |
| MUFG CM | 4.80% | 4.70% | 4.60% | 4.50% | 4.40% | 4.40% | 4.30% | 4.20% |
| Cap Econ | 4.80% | 4.70% | 4.60% | 4.50% | 4.50% | 4.40% | 4.40% | 4.40% |
| 10Y PWLB RATE | | | | | | | | |
| MUFG CM | 5.10% | 5.00% | 4.90% | 4.80% | 4.70% | 4.70% | 4.60% | 4.50% |
| Cap Econ | 5.20% | 5.10% | 5.00% | 5.00% | 4.90% | 4.80% | 4.80% | 4.80% |
| 25Y PWLB RATE | | | | | | | | |
| MUFG CM | 5.60% | 5.50% | 5.40% | 5.30% | 5.20% | 5.10% | 5.00% | 5.00% |
| Cap Econ | 5.70% | 5.40% | 5.30% | 5.20% | 5.10% | 5.00% | 5.00% | 5.00% |
| 50Y PWLB RATE | | | | | | | | |
| MUFG CM | 5.30% | 5.20% | 5.10% | 5.00% | 4.90% | 4.80% | 4.70% | 4.70% |
| Cap Econ | 5.50% | 5.20% | 5.20% | 5.10% | 5.00% | 4.90% | 4.90% | 4.90% |

Treasury Management Performance 2024/25

11. Table 2 below shows the final overall treasury management position for 2024/25 which overspent against the budget by £2.1m. Investment income was £0.7m over budget due to reducing cash balances available for investments.
12. The interest paid on borrowing was £1.4m over budget. This is due to higher than forecast interest rates being paid for short-term borrowing. This overspend was reduced, in part, by the restructuring of the long-term debt agreement for our Phenix Life loan. No long-term borrowing was taken out in 2024/25.

Table 2: Treasury Management Performance 2024/25

| | Actual 2024/25 £'000 | Budget 2024/25 £'000 | Variance 2024/25 £'000 |
|--|----------------------------|----------------------------|------------------------------|
| <u>Expenditure</u> | | | |
| Interest Paid on Long Term Borrowings | 3,005 | 3,026 | (21) |
| Interest Paid on Short Term Borrowings | 2,891 | 1,475 | 1,416 |
| <u>Income</u> | | | |
| Investment Interest Received | (2,175) | (2,500) | 325 |
| Deductions from general fund | 980 | 645 | 335 |
| Total | 4,701 | 2,646 | 2,055 |

Borrowing

13. The Council has adopted a two-pool approach to debt management, separating the debts of the General Fund (Pool 1) and the Housing Revenue Account (HRA) (Pool 2). The HRA pool is a combination of both the Poole and Bournemouth Neighbourhood HRA accounts.
14. Table 3 and 4 below shows the closing level of borrowing for the Council's two loans pool.

Table 3: Council Short Term Borrowings as at 31 March 2025

| Initial Loan Value | Interest Rate | Balance as at 31 March 2025 £'000 | Maturity Date | General Fund Pool £'000 | HRA Pool £'000 | Source |
|-----------------------------|---------------|--------------------------------------|---------------|----------------------------|-------------------|--|
| Short Term Borrowing | | | | | | |
| 1,500 | 4.95% | 1,500 | 03-Apr-2025 | 1,500 | - | North Warwickshire Borough Council |
| 2,000 | 5.40% | 2,000 | 04-Apr-2025 | 2,000 | - | Shropshire & Wrekin Fire and Rescue |
| 5,000 | 5.45% | 5,000 | 04-Apr-2025 | 5,000 | - | Dorset & Wiltshire Fire and Rescue |
| 20,000 | 5.00% | 20,000 | 04-Apr-2025 | 20,000 | - | London Treasury Liquidity Fund LP |
| 10,000 | 4.90% | 10,000 | 07-Apr-2025 | 10,000 | - | PCC for West Midlands |
| 2,000 | 4.95% | 2,000 | 07-Apr-2025 | 2,000 | - | Humberside Fire Authority |
| 6,000 | 4.85% | 6,000 | 14-Apr-2025 | 6,000 | - | London Borough of Redbridge |
| 2,000 | 5.65% | 2,000 | 17-Apr-2025 | 2,000 | - | Cheshire Fire Authority |
| 2,000 | 5.65% | 2,000 | 22-Apr-2025 | 2,000 | - | Hyndburn Borough Council |
| 5,000 | 5.70% | 5,000 | 22-Apr-2025 | 5,000 | - | Lincolnshire County Council |
| 10,000 | 4.95% | 10,000 | 24-Apr-2025 | 10,000 | - | Liverpool City Region Combined Authority |
| 2,000 | 5.80% | 2,000 | 30-Apr-2025 | 2,000 | - | London Borough of Islington |
| 2,000 | 4.95% | 2,000 | 30-Apr-2025 | 2,000 | - | PCC for Avon and Somerset |
| 3,000 | 5.80% | 3,000 | 30-Apr-2025 | 3,000 | - | Furness Building Society |
| 5,000 | 5.00% | 5,000 | 30-Apr-2025 | 5,000 | - | East Riding Yorkshire Council |
| 5,000 | 5.50% | 5,000 | 30-Apr-2025 | 5,000 | - | West Sussex County Council |
| 4,000 | 4.95% | 4,000 | 01-May-2025 | 4,000 | - | South Derbyshire District Council |
| 10,000 | 5.80% | 10,000 | 07-May-2025 | 10,000 | - | PCC for Sussex |
| 2,000 | 4.80% | 2,000 | 12-May-2025 | 2,000 | - | North Hertfordshire District Council |
| 10,000 | 5.80% | 10,000 | 19-May-2025 | 10,000 | - | London Borough of Croydon |
| 10,000 | 4.95% | 10,000 | 30-May-2025 | 10,000 | - | West of England Combined Authority |
| 3,000 | 4.95% | 3,000 | 30-May-2025 | 3,000 | - | PCC for Avon and Somerset |
| 121,500 | | 121,500 | | 121,500 | - | |

Table 4: Council Long Term Borrowings as at 31 March 2025

| Initial Loan Value £'000 | Interest Rate | Balance as at 31 March 2025 £'000 | Maturity Date | General Fund Pool £'000 | HRA Pool £'000 | Source |
|--|----------------------|-----------------------------------|---------------|-------------------------|----------------|-------------------------|
| Long Term Borrowing | | | | | | |
| 5,000 | 4.45% | 5,000 | 24-Sep-2030 | - | 5,000 | PWLB |
| 5,000 | 4.45% | 5,000 | 24-Nov-2031 | - | 5,000 | PWLB |
| 5,000 | 4.75% | 5,000 | 24-Sep-2032 | - | 5,000 | PWLB |
| 5,000 | 4.45% | 5,000 | 24-Nov-2032 | - | 5,000 | PWLB |
| 5,000 | 4.75% | 5,000 | 24-Sep-2033 | - | 5,000 | PWLB |
| 5,000 | 4.60% | 5,000 | 23-Feb-2035 | - | 5,000 | PWLB |
| 5,000 | 4.72% | 5,000 | 22-Aug-2036 | - | 5,000 | PWLB |
| 5,000 | 2.80% | 5,000 | 20-Jun-2041 | 5,000 | - | PWLB |
| 5,000 | 2.80% | 5,000 | 20-Jun-2041 | 5,000 | - | PWLB |
| 10,000 | 1.83% | 10,000 | 22-Jul-2046 | 10,000 | - | PWLB |
| 2,500 | 6.75% | 2,500 | 06-Mar-2056 | - | 2,500 | PWLB |
| 1,500 | 6.75% | 1,500 | 13-Mar-2057 | - | 1,500 | PWLB |
| 1,500 | 5.88% | 1,500 | 07-Mar-2058 | - | 1,500 | PWLB |
| 42,488 | 3.48% | 42,488 | 28-Mar-2062 | - | 42,488 | PWLB |
| 43,908 | 3.48% | 43,908 | 28-Mar-2062 | - | 43,908 | PWLB |
| 17,000 | 1.54% | 17,000 | 17-May-2068 | 17,000 | - | PWLB |
| 12,500 | 1.56% | 12,500 | 16-Aug-2068 | 12,500 | - | PWLB |
| 12,500 | 1.55% | 12,500 | 16-Aug-2069 | 12,500 | - | PWLB |
| 188,896 | | 188,896 | | 62,000 | 126,896 | |
| 22,625 | 2.26% + RPI Annually | 13,911 | 17-Oct-2039 | 13,911 | - | Prudential Assurance Co |
| 49,000 | 2.83% | 46,652 | 24-May-2068 | 46,652 | - | Phoenix Life Limited |
| 71,625 | | 60,563 | | 60,563 | - | |
| Total Short and Long Term Borrowing | | | | | | |
| 382,021 | | 370,959 | | 244,063 | 126,896 | |

15. Table 5 below shows the closing level of the Council Capital Financing Requirement and how that is made up of actual external borrowing and what the level of under borrowing.

Table 5: Council Capital Financing Requirement 31 March 2025

| | General Fund £000 | HRA £000 | Total £000 |
|--------------------------------------|----------------------|----------------|----------------|
| External Borrowing | 244,063 | 126,896 | 370,959 |
| Internal Borrowing (Under borrowing) | 161,419 | 10,886 | 172,305 |
| Capital Finance Requirement | 405,482 | 137,782 | 543,264 |

Investments

16. During the year, cash surpluses are invested by the Treasury Management team through direct dealing or money brokers with approved counterparties. The Council's counterparty list i.e. the list of organisations that it has been agreed that

the Council can invest with has become increasingly restricted in recent years due to the economic climate and the criteria used to select appropriate organisations.

17. A full list of investments held by the authority as of 31 March 2025 is shown in Table 6 below.

Table 6: Investment Summary as at 31 March 2025

| Investments | Maturity Date | Principal Amount £ | Interest % |
|-----------------------------------|----------------|-----------------------|------------|
| <u>Fixed Term Deposits</u> | | | |
| DMADF | 01-Apr-2025 | 1,900,000 | 4.45% |
| Sub Total | | 1,900,000 | |
| <u>Call Account</u> | | | |
| LGIM Sterling Liquidity Fund | instant access | 650,000 | 4.57% |
| Total | | 2,550,000 | |

18. The Treasury Management function achieved average returns of 5.07% for the period 1 April 2024 to 31 March 2025 for its combined investment compared to the SONIA average rate of 4.85%.

Treasury Management Performance 2025/26

19. Table 7 below shows the overall treasury management position for 2025/26. The current forecast is an underspend of £300k on interest payable budgets. This is due to greater availability of funds within the local authority market than expected, this market provides lower rates compared to short term PWLB borrowing used to forecast borrowing costs.

Table 7: Treasury Management performance 2025/26

| | Forecast 2025/26 £'000 | Budget 2025/26 £'000 | Variance 2025/26 £'000 |
|--|---------------------------------------|-------------------------------------|---------------------------------------|
| <u>Expenditure</u> | | | |
| Interest Paid on Long Term Borrowings | 2,915 | 2,915 | 0 |
| Interest Paid on Short Term Borrowings | 6,067 | 6,367 | (300) |
| <u>Income</u> | | | |
| Investment Interest Received | (1,105) | (1,105) | 0 |
| Deductions from general fund | 450 | 450 | 0 |
| Total | 8,327 | 8,627 | (300) |

Borrowing

20. Table 8 and 9 below shows the closing level of borrowing for the Council's two loans pool.

Table 8: Council Short Term Borrowings as of 30 June 2025

| Initial Loan Value £'000 | Interest Rate | Balance as at 30 June 2025 £'000 | Maturity Date | General Fund Pool £'000 | HRA Pool £'000 | Source |
|-------------------------------------|----------------------|---|----------------------|--|---------------------------|--|
| Short Term Borrowing | | | | | | |
| 2,000 | 4.25% | 2,000 | 04-Jul-2025 | 2,000 | - | Newport City Council |
| 10,000 | 4.65% | 10,000 | 08-Jul-2025 | 10,000 | - | Devon County Council Pension Fund |
| 10,000 | 4.65% | 10,000 | 11-Jul-2025 | 10,000 | - | Lincolnshire County Council |
| 5,000 | 4.25% | 5,000 | 21-Jul-2025 | 5,000 | - | Neath Port Talbot County Council |
| 10,000 | 4.20% | 10,000 | 21-Jul-2025 | 10,000 | - | Lancashire County Council Pension Fund |
| 5,000 | 4.65% | 5,000 | 22-Jul-2025 | 5,000 | - | Lincolnshire County Council |
| 5,000 | 4.65% | 5,000 | 31-Jul-2025 | 5,000 | - | East Riding Yorkshire Council |
| 5,000 | 4.25% | 5,000 | 13-Aug-2025 | 5,000 | - | PCC for South Wales |
| 6,000 | 4.65% | 6,000 | 14-Aug-2025 | 6,000 | - | London Borough of Redbridge |
| 5,000 | 4.24% | 5,000 | 15-Aug-2025 | 5,000 | - | Liverpool City Region Combined Authority |
| 20,000 | 4.65% | 20,000 | 20-Aug-2025 | 20,000 | - | London Treasury Liquidity Fund LP |
| 10,000 | 4.20% | 10,000 | 28-Aug-2025 | 10,000 | - | London Borough of Croydon |
| 5,000 | 4.25% | 5,000 | 29-Aug-2025 | 5,000 | - | Royal Borough of Windsor & Maidenhead |
| 5,000 | 4.25% | 5,000 | 15-Sep-2025 | 5,000 | - | East Renfrewshire Council |
| 5,000 | 4.15% | 5,000 | 29-Sep-2025 | 5,000 | - | Liverpool City Region Combined Authority |
| 108,000 | | 108,000 | | 108,000 | - | |

Table 9: Council Long Term Borrowings as at 30 June 2025

| Initial Loan Value £'000 | Interest Rate | Balance as at 30 June 2025 £'000 | Maturity Date | General Fund Pool £'000 | HRA Pool £'000 | Source |
|--|----------------------|----------------------------------|---------------|-------------------------|----------------|-------------------------|
| Long Term Borrowing | | | | | | |
| 5,000 | 4.45% | 5,000 | 24-Sep-2030 | - | 5,000 | PWLB |
| 5,000 | 4.45% | 5,000 | 24-Nov-2031 | - | 5,000 | PWLB |
| 5,000 | 4.75% | 5,000 | 24-Sep-2032 | - | 5,000 | PWLB |
| 5,000 | 4.45% | 5,000 | 24-Nov-2032 | - | 5,000 | PWLB |
| 5,000 | 4.75% | 5,000 | 24-Sep-2033 | - | 5,000 | PWLB |
| 5,000 | 4.60% | 5,000 | 23-Feb-2035 | - | 5,000 | PWLB |
| 5,000 | 4.72% | 5,000 | 22-Aug-2036 | - | 5,000 | PWLB |
| 5,000 | 2.80% | 5,000 | 20-Jun-2041 | 5,000 | - | PWLB |
| 5,000 | 2.80% | 5,000 | 20-Jun-2041 | 5,000 | - | PWLB |
| 10,000 | 1.83% | 10,000 | 22-Jul-2046 | 10,000 | - | PWLB |
| 2,500 | 6.75% | 2,500 | 06-Mar-2056 | - | 2,500 | PWLB |
| 1,500 | 6.75% | 1,500 | 13-Mar-2057 | - | 1,500 | PWLB |
| 1,500 | 5.88% | 1,500 | 07-Mar-2058 | - | 1,500 | PWLB |
| 42,488 | 3.48% | 42,488 | 28-Mar-2062 | - | 42,488 | PWLB |
| 43,908 | 3.48% | 43,908 | 28-Mar-2062 | - | 43,908 | PWLB |
| 17,000 | 1.54% | 17,000 | 17-May-2068 | 17,000 | - | PWLB |
| 12,500 | 1.56% | 12,500 | 16-Aug-2068 | 12,500 | - | PWLB |
| 12,500 | 1.55% | 12,500 | 16-Aug-2069 | 12,500 | - | PWLB |
| 188,896 | | 188,896 | | 62,000 | 126,896 | |
| 22,625 | 2.26% + RPI Annually | 13,705 | 17-Oct-2039 | 13,705 | - | Prudential Assurance Co |
| 49,000 | 2.83% | 45,875 | 24-May-2068 | 45,875 | - | Phoenix Life Limited |
| 71,625 | | 59,580 | | 59,580 | - | |
| Total Short and Long Term Borrowing | | | | | | |
| 368,521 | | 356,476 | | 229,580 | 126,896 | |

Investments

21. A full list of investments held by the authority as of 30 June 2025 is shown in Table 10 below.

Table 10: Investment Summary as of 30 June 2025

| Investments | Maturity Date | Principal Amount £ | Interest % |
|-----------------------------------|---------------|-----------------------|------------|
| <u>Fixed Term Deposits</u> | | | |
| DMADF | 01-Jul-2025 | 1,300,000 | 4.20% |
| Sub Total | | 1,300,000 | |
| <u>Call Account</u> | | | |
| Total | | 1,300,000 | |

22. The Treasury Management function has achieved returns of 4.40% for the period 1 April 2025 to 30 June 2025 for its combined investment, bettering the SONIA overnight rate of 4.35%.

Prudential Indicators and Member Training

23. The Treasury Management Prudential Code Indicators were set as part of the 2024/25 & 2025/26 Treasury Management Strategy. It can be confirmed that all indicators have been complied with during all of 2024/25 and the period 1 April 2025 to 31 June 2025.
24. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring.
25. In conjunction with the chair of Audit & Governance Committee we will look to carry out a training session to all members.

Compliance with Policy

26. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial Regulations. The recent internal audit in March 2025 rated the Treasury

Management function as “Reasonable” assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.

27. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2024/25 and the period 1 April 2025 to 30 June 2025.

Summary of Financial/Resource Implications

28. Financial implications are as outlined within the report.

Summary of Legal Implications

29. There are no known legal implications.

Summary of Equalities and Diversity Impact

30. The Treasury Management activity does not directly impact on any of the services provided by the Council or how those services are structured. The success of the function will have an impact on the extent to which sufficient financial resources are available to fund services to all members of the community.

Summary of Risk Assessment

31. The Treasury Management Policy seeks to consider and minimise various risks encountered when investing surplus cash through the money markets. The aim in accordance with the CIPFA Code of Practice for Treasury Management is to place a greater emphasis on the security and liquidity of funds rather than the return gained on investments. The main perceived risks associated with treasury management are discussed below.

Credit Risks

32. Risk that a counterparty will default, fully or partially, on an investment placed with them. There were no counterparty defaults during the year to date, the Council’s position is that it will invest the majority of its cash in the main UK Banks which are considered to be relatively risk adverse and have been heavily protected by the UK Government over the last few years. The strategy is being constantly monitored and may change if UK Bank Long Term ratings fall below acceptable levels.

Liquidity Risks

33. Aims to ensure that the Council has sufficient cash available when it is needed. This was actively managed throughout the year and there are no liquidity issues to report.

Re-financing Risks

34. Managing the exposure to replacing financial instruments (borrowings) as and when they mature. The Council continues to monitor premiums and discounts in

relation to redeeming debt early. Only if interest rates result in a discount that will benefit the Council would early redemption be considered.

Interest Rate Risks

35. Exposure to interest rate movements on its borrowings and investments. The Council is protected from rate movements once a loan or investment is agreed as the vast majority of transactions are secured at a fixed rate.

Price Risk

36. Relates to changes in the value of an investment due to variation in price. The Council does not invest in Gilts or any other investments that would lead to a reduction in the principal value repaid on maturity.

Background papers

37. Treasury Management report to Full Council on 11th February 2025
<https://democracy.bcpccouncil.gov.uk/documents/s56116/Treasury%20Management%20Monitoring%20report%20for%20the%20period%20April%20to%20December%202024%20and%20Treasury%20Management%20.pdf>

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AUDIT AND GOVERNANCE COMMITTEE



| | |
|----------------------------|--|
| Report subject | Increased Borrowing - Poole museum |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | 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. |
| Recommendations | It is RECOMMENDED that Audit and Governance Committee Recommend to Council: a) to approve the revised funding strategy for the Poole museums capital schemes which will mean an increase in the approved prudential borrowing of £1.3m. |
| Reason for recommendations | To ensure any decision taken by Council on any significant capital project financed by borrowing has strengthened governance around the ability of debt to be robustly serviced. |
| Portfolio Holder(s): | Cllr Mike Cox, Portfolio Holder for Finance and Deputy Leader |
| Corporate Director | Graham Farrant, Chief Executive |
| Report Authors | Matthew Filmer, Assistant Chief Financial Officer |
| Wards | Not applicable |
| Classification | For Recommendation |

Background

1. The Audit and Governance Committee on the 27 July 2023 agreed to reduce the council's debt threshold to reduce the risk associated with high levels of debt.
2. In addition, to strengthen the governance arrangements around any proposal to increase the debt threshold in future the report also set out that Audit & Governance Committee will also need to consider the robustness of the ability of any significant new business case to service its debt obligations. Cabinet on the

16 July 2025 as part of the Financial Outturn 2024/25 report is being asked for approval to increase approved prudential borrowing funding the Poole Museum project by £1.3 million. The specific appendix to Cabinet is replicated in the remainder of this report.

3. It is therefore for Audit and Governance to be satisfied that the business cases are robust enough to generate sufficient resources to satisfy the future interest and capital debt repayments associated with these schemes.

Financial summary and budget approvals history

4. The information detailed in this document relates to 'Our Museum', 'Scaplens Court' and 'Temporary Exhibition Gallery', the three projects impacted by financial forecast change to end the projects. The overall affordability assessment is based on all projects borrowing requirements including Salix. Table 1 below shows the funding movement for the three projects from the outset in April 2021 to the current projected financial position and proposed expenditure budget increase of £552,717.

Table 1

| Musems projects funding history | | | | | Proposed changes | |
|--|-------------------------------|---------------------------|-------------------------------|-------------------------------|-------------------------------|----------------|
| Funding Stream | Cabinet 14/04/2021 £000 | ODR 06/11/2021 £000 | Cabinet 25/05/2022 £000 | Cabinet 19/06/2024 £000 | Cabinet 16/07/2025 £000 | Total £000 |
| Grant: Natinal Lottery Heritageg Fund | (2,240) | | | (750) | | (2,990) |
| Grant: Historic England | (478) | 106 | (226) | 16 | (15) | (597) |
| Grant: Arts Council England | | | | (450) | | (450) |
| | | | | | | 0 |
| Third parties & other | | (420) | | (558) | 165 | (813) |
| Third parties & other (underwritten by prudential borrowing) | (300) | (400) | | 80 | 620 | 0 |
| | | | | | | 0 |
| Community Infrastructure Levy/Sec 106 | (200) | (239) | (500) | (16) | | (955) |
| BCP Revenue Contribution to capital | | (25) | | (30) | (28) | (83) |
| Borrowing | (1,023) | | (557) | | (1,295) | (2,875) |
| Total project funding increase | (4,241) | (978) | (1,283) | (1,708) | (553) | (8,763) |
| | | | | | | |
| Cumulative total projects cost | 4,241 | 5,219 | 6,502 | 8,210 | 8,763 | |

History of budget movements

5. Officer Decision Record (ODR 06/11/2021): Identified cost increase from estimates at feasibility stage (Q4-2019) - this was revealed through design work and cost exercise (August 2021). Additional £978,000 was added to the projects. Third party contributions increased from £300,000 to £1.1m of which at this point £700k was underwritten by prudential borrowing. The Destination and Culture service directorate deemed the increase in underwriting by £0.4m, from £0.3m to £0.7m, to be low risk as there was a clear plan to achieve third party partnership fundraising target, and a considerable amount had already been secured.

6. Cabinet 25/05/2022: Costs increased across the schemes as a result of a number of factors, including scope increase and national pressures on construction projects as a result of Covid and Brexit which resulted in a funding gap of £1.28m for the projects considered in this report.

Additional scope work included backlog of essential preventative maintenance, urgent conservation and running repairs, fire regulations, mechanical and electrical costs, temporary exhibition gallery.

7. Cabinet 19 June 2024: Project costs for the Our Museum project and Scaplen's Court project increased overall with main drivers being the impact of inflation (c.14.5%), including a period of super-inflation, new scope, design development, site and market conditions, and an extended programme of around one year.

Our Museum, the Temporary Exhibitions Gallery, and the Ceramics and Design Gallery on the third floor of the Museum was new scope costing £0.334m.

The total Museums projects also include Salix of £1.496m and Public Realm phase 1 of £150,000 both now complete. Public Realm phase 2 of £ 300,000 is still ongoing not projecting any variances. Therefore, the overall budgets for the Museums projects totals £10.1m. The forecast funding gap of £674,717 equal 6.7% of the overall budget. The increase in borrowing requirement of £1.295m (including take up of borrowing previously underwritten) equals 12.8% of the overall museums programme.

8. Table 2 overleaf shows the forecast expenditure increase of the Poole museums capital schemes since the Cabinet approval in May 2024 together with new funding shortfall, swap between third party contributions and prudential borrowing resulting in a net funding gap of £674,717.

Table 2

| | Our Museum (including Activity plan) £ | Scaplen's Court £ | Temporary Exhibitions Gallery £ | Ceramics Gallery £ | Total £ |
|---|---|-------------------------|--|--------------------------|------------------|
| Approved Capital Programme May 2024 | | | | | |
| Community Infrastructure Levy | 200,000 | 755,087 | - | - | 955,087 |
| Third-Party - Other Trusts and Foundations | 599,500 | - | 300,000 | 78,300 | 977,800 |
| Third-Party - Other Trusts and Foundations (underwritten by borrowing) | 620,500 | | | | 620,500 |
| Prudential Borrowing | 1,071,696 | 508,253 | - | - | 1,579,949 |
| Other BCP (revenue) | 55,132 | - | - | - | 55,132 |
| Grant: Natinal Lottery Heritageg Fund | 2,990,000 | - | - | - | 2,990,000 |
| Grant: Historic England | - | 581,582 | - | - | 581,582 |
| Grant: Arts Council England | 37,867 | - | 156,930 | 255,203 | 450,000 |
| Total Revised Capital Programme May 2024 | 5,574,695 | 1,844,922 | 456,930 | 333,503 | 8,210,050 |
| Latest forecast capital expenditure | 6,145,147 | 1,886,800 | 397,317 | 333,503 | 8,762,767 |
| Variance between forecast capital expenditure and approved funding | 570,452 | 41,878 | -59,613 | 0 | 552,717 |
| Variance forecast on approved funding | | | | | |
| Third-Party - Other Trusts and Foundations | | | 150,000 | | 150,000 |
| Other third party contribution shortfall | 15,000 | | | | 15,000 |
| Third-Party - Other Trusts and Foundations (underwritten by borrowing) | 620,500 | | | | 620,500 |
| Additional borrowing underwritten ODR November 2021 | -620,500 | | | | -620,500 |
| Net variance from budget | 585,452 | 41,878 | 90,387 | 0 | 717,717 |
| Overspend % | | | | | 8.7% |
| Proposed funding to finance overspend | | | | | |
| Other BCP (revenue) | | (28,000) | | | (28,000) |
| Historic England (underspend public realm phases 1) | (15,000) | | | | (15,000) |
| Net funding gap | 570,452 | 13,878 | 90,387 | | 674,717 |

Variances in Funding

9. **£620,500 Third party fundraising:** efforts were led by an experienced team and successfully secured over £2m from third party trusts and foundations (excluding NLHF). Ultimately, based on funder priorities these funds could not be applied to the third-party fundraising target, which was underwritten by Prudential Borrowing in November 2021, and instead covered new scope.

Approvals under the Council's Financial Regulations were given for applications for funding for new scope that:

- provided for operational cost efficiencies including insulation, LED lighting, glazing and renewables; provided for critical upgrades to capacity of services and utilities,
- enabled critical repair and maintenance to roofs and rainwater goods,
- provided for enhancement of the setting of the museum through public realm improvements,
- added a permanent exhibition gallery and a temporary exhibitions gallery to significantly increase the visitor offer

10. None of the funds secured made a substantive contribution to the underwritten target for the NLHF project, however, all new scope benefitted the originally scoped scheme, offered value for money, and contributed to the Museum's strategic business plan and relevant Council Corporate Strategies.

11. The affordability of the underwritten third-party funding had already been assessed and approved, and the museum's business plan made the assumption that borrowing would be needed, in order that the risk of this funding not being secured was mitigated. From early 2024, it was apparent this target could not be met for a range of reasons; however, this was not clearly indicated or discussed in the financial implications section of the previous Cabinet paper in June 2024, which incorrectly noted this amount as 'underwritten'.
12. **£150,000 third party fundraising:** funding for the Temporary Gallery was incorrectly stated as a result of being double counted in the June 2024 cabinet paper. The cost of the gallery decreased at tender, and the pressure resulting is £90,000 and not £150,000 for this project.
13. **£15,000 third party fundraising:** this funding was withdrawn by a funder.

Variances in Expenditure

14. It is important to note that an overspend at the end of a major capital project—particularly one involving multiple Grade I and II listed buildings—is not unusual. These projects often encounter unforeseen conditions during final phases, such as specialist requirements, contractor claims, or final fit-out complexities.
15. The overspend is primarily due to:
- Construction cost uplift – resulting from adverse site conditions (including major temporary works redesign as a result of structural issues, asbestos discoveries, and other structural challenges), significant prolongation (contractor's costs), design development, and inflation
 - Professional fees uplift – resulting from significant programme prolongation (design team costs), change, in particular significant claims for architectural and exhibition design services.
16. Overspend has crystallised subsequently to last capital programme report in June 2024 and could not have been foreseen at that time. All expenditure is unavoidable and has been minimised where possible. All contracts are let, and outputs and outcomes must be delivered to open the Museum and meet funder requirements.

Borrowing Requirement

17. Table 3 overleaf shows the Poole museums projects total borrowing requirement:

Table 3

| Borrowing requirement for museums projects | loan | rate | years | annual repayment |
|---|------------------|-------|-------|------------------|
| | £ | | | £ |
| Cabinet report 14 April 2021 | 1,023,000 | | | |
| Cabinet report 26 May 2022 | 688,949 | | | |
| Less Salix borrowing not included in this statement | (132,000) | | | |
| Borrowing approved by Cabinet | 1,579,949 | 3% | 25 | 110,596 |
| Third party funding underwritten with Officer Decision record 5 November 2021 | 620,500 | 5.50% | 25 | 58,948 |
| Additional borrowing request July 2025 | 647,717 | 6.00% | 25 | 67,472 |
| Total borrowing repayment excluding Salix | 2,848,166 | | | 237,016 |
| Salix borrowing repayment | 132,000 | 3% | 25 | 9,240 |
| Total borrowing requirement all museums projects | 2,980,166 | | | 246,256 |

18. The borrowing repayment costs assume an asset lifecycle of 25 years. The different interest rates used reflect the original rates when the prudential borrowing was approved. The 6% interest rate for the new borrowing request of £647,717 represents the prevailing rate on 5 June 2025. The total borrowing repayment for all museums projects will be £246,256 per annum.

19. Table 4 below shows the cost of borrowing affordability assumptions. The borrowing cost is included in the expenditure section of the table. The assumptions show a net modest surplus of £13,994 per annum.

Table 4

| Museums business case affordability assumptions | |
|--|--------------------|
| Visitor Numbers per annum | 220,000 |
| Income | £ |
| BCP Council Real Terms Contribution | (750,000) |
| Full Cost Recovery Fundraising | (25,000) |
| Business Units - (income) | (709,500) |
| Total income | (1,484,500) |
| Expenditure | |
| Business Units - (cost) | 300,500 |
| Employment Costs | 475,000 |
| Other running costs and overheads | 273,750 |
| Borrowing costs | 246,256 |
| Total direct costs and overheads | 1,295,506 |
| BUSINESS CASE LINES (FOR INVESTMENT) | |
| Apprenticeship | 50,000 |
| Outreach and Engagement Investment | 25,000 |
| Collections and Resources Care and Conservation | 25,000 |
| Additional Marketing and Promotion | 25,000 |
| Allowance for Increased Management and Maintenance | 25,000 |
| Sinking Fund' Wool Hall | 25,000 |
| Total other optional costs | 175,000 |
| Total Expenditure | 1,470,506 |
| Deficit/(Surplus) | (13,994) |

Affordability of Proposed Prudential Borrowing for Poole Museums

20. The Poole Museum redevelopment represents a major capital investment, and as with many complex cultural projects within listed historic buildings, some end-of-build cost pressures have emerged. The requirement for establishing accessibility and opportunities for all to engage with, and benefit from the museum and its activities has been paramount throughout the capital project and will be embedded into the future operating plans and objectives of the museum.
21. Third party contribution of £437,800 is currently held in the Poole Museum Foundation bank account awaiting transfer to BCP Council once bank mandate has been changed. The drawdowns from The National Lottery Heritage Fund (NLHF) and Arts Council England (ACE), are expected in due course and carry no associated risk. This report seeks approval for additional borrowing of £647,717 representing the current forecast funding gap. Additionally, at this point, the Museum wishes to confirm the need to draw down previously underwritten borrowing of £620,500 (representing the shortfall of hoped for third party other contributions), a total new borrowing requirement of £1.3m

Affordability Assessment

22. The affordability of this borrowing is being evaluated based on the following key assumptions, professional expertise and financial indicators:

Visitor Forecast and Revenue Potential

23. The redevelopment of Poole Museum is not only a cultural and architectural achievement—it is a strategic investment in public health and wellbeing. At its core, the transformation recognises the museum's power to improve lives through cultural engagement. Programmes are designed to foster creativity, connection, and mental wellbeing, creating an environment where lives and relationships can flourish. This focus on wellbeing is embedded in the museum's design, processes, programming, and staffing, ensuring that inclusion and accessibility are not afterthoughts but foundational principles. This gives a confident forecast of circa 600 visitors per day, operating 360 days a year, equating to approximately 220,000 visitors annually with the Museum being free to enter and delivering a vastly enhanced estate of historic buildings alongside exhibitions and activities of the highest possible quality.
24. The redevelopment of Poole Museum is a direct response to the ambitions set out in the BCP Cultural Strategy, which emphasises the importance of inclusive, accessible, and high-quality cultural experiences that contribute to placemaking, wellbeing, and economic growth. Conservative estimates on ticketed experiences, donations, retail, café and private hire have been developed, and this level of inclusivity provides a strong revenue base to support borrowing repayments.

Operational Budget Capacity

25. The Museum's existing budget has been reviewed to identify areas where efficiencies or reallocations can support borrowing, and this is most likely in permanent staffing lines. This operational budget has also been reviewed to demonstrate where potential increases in earned income require cost control measures and sensible investment.
26. The Museum's operating model and 10-year plan is being reviewed with a NHLF Resilience fund (ESP) to ensure long-term sustainability. This includes a review of the staffing structure to ensure it reflects the challenges and opportunities that the new

museum presents, and the need for efficiencies. As part of this a mixed economy cultural delivery structure supported by strategic partnerships, volunteers, freelance and project-based roles is being explored, ensuring flexibility, resilience, and continued excellence in service delivery.

27. The Museum will reopen later this year and so the focus now turns to planning for its long-term sustainability. The Ensuring Sustainability Project (ESP) is developing a resilience strategy to address ongoing challenges such as staffing capacity, organisational structure, and pressures on non-statutory funding. This work is vital to maintaining the momentum of the redevelopment and supporting the museum's continued success.

Contingent Opportunities

28. A potential £214,000 business rate rebate is under consideration. While not yet confirmed, if realised, this would significantly reduce the net borrowing requirement.
29. An important part of the Museum strategy is strengthening partnerships that underpin the museum's resilience. The new Poole Museum Foundation (PMF) is one such partnership and plays a key fundraising role, providing support that enables the museum to deliver ambitious programmes and respond to emerging opportunities. It is regrettable that the external funding that would have avoided the need to draw down borrowing was not achieved, but with a new Board in place and with their continued involvement being central to the museum's ability to attract external funding it is anticipated that new funding opportunities will be possible going forward.
30. In parallel, the museum is reviewing a range of operational approaches to enhance strategic flexibility (e.g. multiple income pipelines), broaden funding opportunities (e.g. with public health), and deepen public participation (e.g. with community and academic co-curation). These explorations reflect national trends in research and cultural leadership and are designed to ensure the museum remains adaptable, inclusive, and well-positioned for the future. Significant efforts are in train to innovate and enhance fundraising, in summary;
 - i. a fundraising consultant will be appointed (funded by NHLF), a 'Development Strategy' and Campaign pipeline will be outputs of this
 - ii. a refreshed relationship with the Poole Museum Foundation (PMF) who play a vital role in ongoing fundraising and advocacy efforts has been established
 - iii. co-funded Wellbeing pilots with Communities, Partnerships and Community Safety Service within Public Health are being actively explored for funding
 - iv. the government's Museum Renewal Fund has been applied to, with a view to secure support for the research and trial of the aforementioned cultural delivery model

Conclusion

31. While risks will remain up to and beyond the Museum's reopening later this year, particularly around the successful completion of the museum objects' installation programme and potential delays in final construction works, the project continues to move forward with determination and focus. On the resilience side, the interim staffing model and support through the first trading year represent the most significant operational challenges.

32. Despite these uncertainties, the Museum is well-positioned to demonstrate the affordability of the proposed £1.3 million in additional prudential borrowing. This confidence is underpinned by:
- Strong projected visitor numbers,
 - Prudent financial planning,
 - Potential for innovative income generation.
33. Ongoing financial modelling continues to refine our understanding of affordability. Nevertheless, the current strategy provides a credible and responsible path forward. With continued oversight, support and adaptive leadership, the Museum is on track to deliver a sustainable and vibrant cultural asset for the community.

Report Authors:

Senior responsible officer - Matti Raudsepp, Director of Customer, Arts & Property
Project Manager – Alison Gudgeon
Revenue Business Case- Jaine Fitzpatrick
Funding history and tables 1- 3 prepared by Finance, Estates and Benefits

Summary of financial implications

34. The report set out above sets out the financial implications in detail.

Summary of legal implications

35. The reports cited above to Cabinet included the legal implications.

Summary of human resources implications

36. The reports cited above to Cabinet included the human resources implications.

Summary of sustainability impact

37. The reports cited above to Cabinet included the sustainability implications.

Summary of public health implications

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

Summary of equality implications

39. There are no equality implications arising from this report.

Summary of risk assessment

40. The report cited above to Cabinet included the risk assessment.

Background Papers

Cabinet 16 July 2025 [Appendix C3 Poole Museums Financial Forecast.pdf](#)

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AUDIT AND GOVERNANCE COMMITTEE



| | |
|----------------------------|---|
| Report subject | Risk Management - Corporate Risk Register Update |
| Meeting date | 24 July 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; • 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. <p>Material updates for this quarter are outlined in section 11.</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. To assist the committee with the context of the Corporate Risks, at Appendix 5 is a diagram which outlines the risk hierarchy in place in the organisation.

10. 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 1 – 2025/2026

11. 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:
- a) Note that the net score for 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.
 - b) The risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support was updated in May 2025 in accordance with the quarter update timetable. On 30 June 2025 both recognised trade unions confirmed that their members had voted to accept the offer. The risk has been further updated to reflect this new position. The update is based on the assumed approval by the Council which will be considered on 22 July 2025. A further update to this risk will be provided following this Council meeting.
 - c) 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, were previously lead by Jillian Kay, Corporate Director for Wellbeing. These risks have now been transferred to Kelly Deane, Director of Housing and Public Protection.
 - d) During the quarter CMB considered a request from the Communities Manager for consideration to be given to the previously nominated Failure to Comply with the Prevent Duty risk being escalated to the Corporate Risk Register. CMB considered this request and agreed that during the next quarter, risk CR24 - We may fail to adequately address concerns around community safety will be widened to include this duty.
 - e) As part of the consideration of risk by CMB, 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 to be managed going forward at Director level. This will continue with the oversight of the Chief Operations Officer, the risk sitting within his Directorate.
 - f) Whilst noting the above in relation to risk CR19, a new risk is currently being developed relating to the position of the Local Plan. The updated risk in this respect will be included in the next update report to this committee.
 - g) On 29 May 2025 Grant Thornton presented 'The Audit Plan for Bournemouth, Christchurch and Poole Council'. Within this Plan, the External Auditors identified a number of significant risks. These are summarised as follows:
 - Management override of controls
 - The revenue cycle includes fraudulent transactions
 - The expenditure cycle includes fraudulent transactions
 - Valuation of land and buildings including council dwellings
 - Valuation of investment properties
 - Valuation of the Pension Fund net liability
 - IFRS16 implementation

The s151 Officer is understood to be reviewing these risks and will provide an update as necessary to the relevant Corporate Risks as part of the usual review process.

12. 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.
13. 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.
14. Full details of the updates for this quarter can be found in Appendix 4.

Director Level Risk Review

15. As part of this quarter's considerations, Corporate Directors reviewed the risk registers within their directorates to identify whether any risks currently considered at Director level should be escalated to the Corporate Risk level. The position was then discussed by CMB as a group to confirm the decisions.
16. As a result of these discussions the following was noted and agreed:
 - a) Corporate Directors will continue to review all risks rated High within their directorates. This currently equates to 46% of the total Director level risks.
 - b) The above review will include the consideration of whether any risks or commonality of risk need to be escalated or added to the Corporate Risk Register.

Key Assurance Risk Review

17. As part of the overall risk framework and to ensure risks are considered at all levels, CMB also considered those risks identified as part of the key assurance risk framework. This included the following risk registers:
 - Health and Safety and Fire Safety Board
 - Resilience Governance Board
 - Information Governance Board
18. CMB reviewed these risks and considered whether either individual risks or a board level risk needed to be included on the Corporate Risk Register. No risks were escalated from these registers during the quarter.

Dynamic Risk Review Process

19. 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.
20. 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.
21. 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.

22. 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.
23. In support of the continuing development of the risk framework, the Corporate Strategy Delivery Board continues to complete review risks as part of the standard agenda.

Risk Management Process and Development

24. 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).
25. Progress on the development of this policy has been delayed but this will be a priority during the next quarter with discussions to finalise the position on risk appetite being completed allowing the policy to return to this committee for noting at the next meeting.

Service Development

26. 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.
27. 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 directorate risk register.
 - Circulating information from a risk management perspective on various topics.
 - Sharing training opportunities on areas of risk.
28. The new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
29. The team has been working to support the new Director of Public Health and Communities in the development of their risk register.
30. 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

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

37. 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 20 March 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 - Risk Hierarchy

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><tr><td colspan="2"></td><th colspan="4">THREATS</th></tr><tr><td rowspan="5">Likelihood</td><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><td colspan="2"></td><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 |
|----------|--|--|--|-----------------------------|-----------------|-----------------|-----------------|---------------------------------|
| | | | | Q02: 2024-25 | Q03: 2024-25 | Q04: 2024-25 | Q01: 2025-26 | |
| CR27 | Risk CR27 - We may fail to adequately address concerns around environmental impacts - cliff management/instability | Chief Operations Officer | Councillor Richard Herrett Councillor Andy Hadley | N/A | N/A | 16 | 16 | ↔ |
| CR23 | Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit | Chief Executive | Councillor Mike Cox | 16 | 16 | 16 | 16 | ↔ |
| 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 | ↔ |
| 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 | ↔ |
| 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 | ↔ |
| 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 | 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 | ↔ |
| 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 | 9 | 9 | 9 | 9 | ↔ |
| CR18 | Risk CR18 – We may fail to provide adequate customer interfaces | Director of Customer, Arts and Property | Councillor Andy Martin | 9 | 9 | 9 | 9 | ↔ |
| CR21 | Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements | Director of Housing and Public Protection | 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 | ↔ |
| 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 | 4 | ↓ |
| CR24 | Risk CR24 – We may fail to adequately address concerns around community safety | Director of Housing and Public Protection | Councillor Kieron Wilson Councillor Andy Hadley | 4 | 4 | 2 | 2 | ↓ |

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Audit and Governance Committee – July 2025

Corporate Risk Register – Risk Table

| Risk Ref | Risk Title | Net Risk Score | Target Risk Score | Risk Owner | Risk Status |
|----------------------|--|----------------|-------------------|--|----------------|
| CR27 | We may fail to adequately address concerns around environmental impacts - cliff management/instability | 16 | 16 | Glynn Barton, Chief Operations Officer | Corporate Risk |
| 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 |
| CR15 | We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support | 12 | 12 | Sarah Deane, Director of People and Culture | 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 |
| 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 |
| 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 |
| 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 |
| CR18 | We may fail to provide adequate customer interfaces | 9 | 2 | Matti Raudsepp, Director of Customer and Property Operations | Corporate Risk |

| Risk Ref | Risk Title | Net Risk Score | Target Risk Score | Risk Owner | Risk Status |
|-----------------------------|---|----------------|-------------------|--|-----------------------|
| <u>CR21</u> | <u>Impact of global events causing pressure on BCP Council & increase in service requirements</u> | 6 | 6 | Kelly Deane, Director of Housing and Public Protection | Corporate Risk |
| <u>CR25</u> | <u>We may be unable to effectively transform services to achieve efficiencies and improve service standards</u> | 4 | 4 | Corporate Management Board Collective | Corporate Risk |
| <u>CR16</u> | <u>We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities</u> | 4 | 2 | Isla Reynolds, Director of Marketing, Comms & Policy | Corporate Risk |
| <u>CR24</u> | <u>We may fail to adequately address concerns around community safety</u> | 2 | 2 | Kelly Deane, Director of Housing and Public Protection | 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

July 2025

CORPORATE RISK REGISTER UPDATE Q1 – 2025/26

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 CR27 – We may fail to adequately address concerns around environmental impacts – cliff management/instability

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.

Financial impact linked to cost of work associated with works to stabilise the cliffs and respond to slips as well as lost income from the inability to operate commercial services when impacted directly by slips or within a compound exclusion area.

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 |  |  |

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 |  |  |

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 |  |  |

Quarter Update

Procurement process underway to take forward initial remedial works to part of the west cliff slip area, and ongoing work is underway to both monitor current levels of risk to support decisions around the scale of current cliff slip cordons required, as well as to confirm works required going forward and associated costs. Initial costings have been identified for anticipated works required on the current slips as well as ongoing maintenance but these need to be finalised following more detailed inspections and quotes.

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 |  | As above |
| Net Score |  | As above |
| Target Score |  | As above |

| 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 draft Financial Outturn indicates the council spent £111.9m on SEND revenue expenditure, which was £49.9m more than the £62m DSG grant allocation and £5.3m more than the quarter 3 forecast.</p> <p>This annual discrepancy creates an accumulating deficit which was £113.3m on the 31 March 2025 and is now forecast to be £170.9m 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 £83m as of 31 March 2025.</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.

Cabinet Report: May 2025: Medium Term Financial Plan (MTFP) Update report. Reminded members of the risk and included a brief update on messaging from government.

Cabinet Report: July 2025: MTFP Update. Included letters from the Leader to the Secretary of State and Director of Finance to the Ministry of Housing, Communities and Local Government setting out the ongoing concerns in regard to the SEND deficit.



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 (I x L) | 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**.

| Overall Target Score Expected Completion Date: | | Due Date/s: |
|--|---|-------------|
| 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 (I x L) | Risk Matrix | Movement during Quarter |
|------------------|------------|----------------|--------------------|---|---|
| Target Score | 4 | 2 | 8 |  |  |

Quarter Update

Further update included in the July MTFP Update report to Cabinet

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 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):

Pay and Reward has created significant risks to the delivery of the overall objectives within our People Strategy.

On 30 June 2025 however, both recognised trade unions confirmed that their members had voted to accept the latest offer. This offer and its implementation, is subject to Council approval on 22 July. Given the significant milestone that a successful ballot brings, this risk has been updated based on an assumed approval by Council which will be confirmed after 22 July 2025. If the Council does not approve the offer, officers will have to revise this risk assessment as quickly as possible.

The threat of industrial action has been removed as a result of members voting to accept the Pay and Reward offer and the potential for significant numbers of equal pay claims, similar to that experienced in other local authorities have experienced, has now greatly reduced. There do remain some risks to the organisation, however, as follows:

Potential for claims to arise

It is still the case, and has been the experience of others, that the introduction of a new job evaluation scheme and pay structure, could bring the potential for a range of employment claims and challenges to grading and role assessment. We have built appropriate appeals mechanisms, involving trades union colleagues, into the agreement.

Risk of increased levels of turnover

The updated certainty that the ballot outcome now gives us provides clarity for our colleagues on the way forward together with the associated timescales for this. It is acknowledged, however, that there are colleagues that still remain unsatisfied with the outcome and these changes will present challenges and anxiety. Support will be provided to those who wish to access it but others may choose to seek alternative employment and it is possible that our turnover levels may be slightly higher than normal as we move forward into implementation and beyond into the period of pay protection for those colleagues seeing a reduction in pay.

Financial risk - Incremental drift

The Medium Term Financial Plan and corporate resources provided for the cost of Pay and Reward, do not include additional exposure by the authority to annual incremental drift. Services have been required to manage this cost historically within their base budget allocation and will continue to do so. However, it should be highlighted that this cost is estimated to have increased significantly due to the additional head room in this enhanced offer. For 1 April 2026, this cost is estimated to now amount to circa £4.0m for 2026/27 and can be compared to an annual cost of around £1.5m under the current arrangements. This cost will be mitigated by various issues including turnover, take-up of colleague benefits (eg salary sacrifice schemes) and performance. There will then be further similar exposure in future years which this enhanced offer has increased due to the additional headroom on grades.

Risk to viability of services

The increases in base salary costs including the additional incremental drift and changes to terms and conditions may challenge the viability of numerous services including those that are expected to achieve full cost recovery and those covered by fees and charges where the fee is based on the level acceptable to the market. It will also reduce the amount of grant funding available for non-salary cost expenditure.

Appeals

The numbers of colleagues wishing to appeal their role profile mapping is unknown at this time with the window for appeals to be lodged opening in December 2025. Previous experience of implementing job evaluation in the preceding councils has highlighted the likelihood of significant numbers of requests. The appeals process will therefore run into and throughout December 2026 as needed. Successful appeal outcomes will mean greater financial impacts to services and could ultimately impact further on the viability of services and balancing the budget.

Attracting new talent

Recruitment literature and job information will provide certainty to prospective colleagues and it is hoped that our improved offer and new colleague benefits will significantly support our employer value proposition, encouraging a wider range of applications for our vacancies and reducing our need to appoint agency cover for vacant posts. However leading up to implementation, we will need to advertise both the current and future salaries, which has the potential to create some confusion and/or concern where salary levels are falling.

National skills shortage

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. Agreement of the new Pay and Reward offer will help this situation but will probably not solve it completely.

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

The developments in Pay and Reward have created more certainty for our colleagues and for the majority will be seen as a positive step forward but it is acknowledged that the situation will also bring concern and anxiety for some who will see a reduction in their pay. It is anticipated that the ongoing process of implementation leading on to appeals will continue to destabilise the workforce for a period of time. During this time there will be an increased risk of grievances, and higher turnover with resultant increase in recruitment costs, low morale and employee engagement in specific areas, together with a negative impact on employees' wellbeing and financial situations. This could mean that some service delivery may be affected.



The People and Culture 2024/25 growth bid was not approved and this therefore means that full delivery of the people strategy will not be possible within the original planned timescale and that 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.

The People and Culture team are continuing to work on key priorities however and have made good progress with our new careers site and development of our Employee Value Proposition amongst other key achievements within the People strategy.

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 threat of immediate industrial action has been removed since achieving a vote to accept the offer from both recognised trade unions
- Support for colleagues impacted negatively by Pay and Reward is in place
- Services are beginning to work through the financial impact that Pay and Reward will have on their budgets and to services to better understand mitigation strategies
- Potential sources of mitigation for budgetary pressures include national insurance savings delivered from new benefits such as the salary sacrifice additional pension fund voluntary contributions and other salary sacrifice schemes and reduced costs from any current market supplements not required or required at a lower level.
- 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.
- 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. | ✓ |

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: | Implementation of Pay and Reward | 1 Dec 25 |
| 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 | 3 | 12 |  |  |

Quarter Update

Following a fourth ballot, both recognised trade unions have confirmed that their members have voted to accept the latest Pay and Reward proposal and that they are happy to proceed to sign a collective agreement. This proposal, including the financial impact of it, is subject to Council agreement on 22 July 2025. This risk update has assumed approval is given but will be updated shortly after that date to provide confirmation.

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 |  | As above |
| Net Score |  | As above |
| Target Score |  | As above |

| 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. 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-attack 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 attack 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 such as Social Care, Housing or Place (Highways etc.) are impacted. Financial loss is the most common impact through direct loss of funds, recovery costs and Information Commissioner's Office fines. There are also reputational impacts. 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.

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: | Training and increase user awareness of risks: ITSEC teams continue to deploy monthly cyber awareness training to all staff digitally. | Ongoing |
| Action 2: | Increased cyber detection and response tooling: 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. | 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.

Funding has been approved to appoint an additional IT Security Officer and recruitment is underway.

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 |  | The general trend in ongoing attacks means the risk requires ongoing close monitoring. |
| Net Score |  | The general trend in ongoing attacks means the risk requires ongoing close monitoring. |
| Target Score |  | The general trend in ongoing attacks means the risk requires ongoing close monitoring. |

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 has now had its full ILAC inspection and achieved a Good rating from Ofsted.

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 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 quality assurance frameworks and governance processes
- Robust governance is in place to ensure that improvement continues at pace in SEND
- Children's Services have developed a Children and Young People's Partnership plan now the services are rated Good by Ofsted
- 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
- 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 from the Secretary of State for SEND
- Education Services are subject to termly Ofsted Monitoring meetings which oversee improvement and hold the service accountable for meeting statutory standards



- 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 and in the full ILAC, 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. | Complete |
| 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 | Complete |
| Action 5: | Ensure the BCP model of Corporate Support services and systems is fully conducive to the children's improvement journey | Complete |
| 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 Services were inspected by Ofsted against the full ILAC inspection schedule and given an overall rating of Good. This is a significant achievement from a position of Inadequate in 2021. Care leavers received an individual rating of Requires Improvement and the areas of development highlighted by Ofsted will be incorporated into the service plan and monitored through business as usual quality assurance activities.

SEND improvement against the Written Statement of Action, continues to be managed through the Improvement Board chaired by the DfE Advisor. There is optimism from the DfE Advisor in the direction of travel and BCP is waiting for the full SEND Care Quality Commission and Ofsted Inspection before the summer of 2025. There are risks and challenges particularly around recent national changes for the NHSE. We will continue to work with our health partners to mitigate any risks to our progress.

The financial implication of not managing the risks in SEND will be the costs of failure to manage service delivery.

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 |  | For children's social care this is now business as usual with directorate risk management. For SEND this continues to be work in progress however going in the right direction. |
| Net Score |  | |
| Target Score |  | |

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

Links to Corporate Objective(s):

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:

- 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.

The Financial Outturn position as set out in a July 2025 Cabinet report provides the evidence that the council delivered services in 2024/25 within the parameters of the approved General Fund Budget.

Council approved its **2025/26** Budget at Council on 11 February 2025, based on the following main aspects.

- 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 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.

Cabinet on the 13 May 2025 were provided with an update on the MTFP which tends to ebb and flow through to formal Budget Council in February each year. This report also provided details of a scenario planning exercise designed to help shape activity now needed to ensure a balanced 2026/27 budget is delivered.

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

- Expenditure of the authority is higher than all available sources of income.



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

- 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:

- 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



- 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.
- Quarterly budget monitoring reports to Cabinet including progress against budget savings.

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

The financial outturn report for 2024/25 demonstrates that as per the assumption underpinning the 2025/26 budget, the council delivered its financial outturn for 2024/25 within the parameters of the approved budget for the year.

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. The council awaits a further announcement as part of the 11 June 2025 Comprehensive Spending Review.



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 departments and arms-length bodies, have a role to play. 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 Flooding and Coastal Erosion Risk Management (FCERM) team have been involved in joint authoring of draft policies relating to flood risk, coastal change risk and Sustainable Urban Drainage to support Bournemouth, Christchurch and Poole's development agenda for the next 15 years. A Strategic Flood Risk Assessment (SFRA) is also in preparation, 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 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: Achieved | 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: Achieved | Increasing capacity within the Climate team, 3 x new sustainability officers to be recruited – advertised and applications received | Jan 2025 |
| Action 3: Achieved | 2 x Sustainability Officers appointed | Feb 2025 |
| Action 4: | Sustainability Officer to prepare climate change vulnerability data to aid adaptation planning/awareness. | October 2025 |
| Action 5: | Poole Bridge to Hunger Hill is the last remaining undefended waterfront in the town centre, with a high risk of tidal flooding, increasing significantly over the next century due to climate change and sea level rise. Community Infrastructure Levy funding to contribute to a permanent flood defence along 1.5 km of the eastern side of Holes Bay is to be considered by Cabinet in June 2025. | 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 |  |  |

Commitment.

Quarter Update




The Flooding and Coastal Erosion Risk Management (FCERM) team have completed major works to protect Hamworthy Park against future coastal erosion for the next 20 years. A 200 metre stretch of sea wall has been reinforced on the eastern promenade with low carbon concrete, and new steps have been built to the shoreline. The work also included repairs to the two jetties and the addition of buttresses to support the wall. The project cost £550,000 in total and was made possible thanks to an investment of £318,000 from central government's Levelling Up Fund and £233,000 Community Infrastructure Levy support funding. The project is the first of multiple schemes due to

be delivered across Bournemouth, Christchurch and Poole seafront thanks to the £19.9million government grant.

Also completed is the upgrade of the Hengistbury Head Long Groyne. Contractors worked with the tides around the clock, placing a total of 33,500 tonnes of rock and a host of environmental enhancements have been incorporated into the design to provide important new marine habitat. The Long Groyne plays a critical role in reducing coastal erosion in Poole Bay and is a stabilising feature for Christchurch Bay. However, during storm events the original structure was regularly submerged meaning it was unable to continue to perform effectively, particularly with the additional threat of sea level rise. These significant works will help protect the coastline from sea level rise over the next 100 years.

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 |  | A certain level of climate change is ensured due to emissions already in the atmosphere |
| Net Score |  | Actions taken to protect and adapt will be effective against predicted climate change |
| Target Score |  | Further adaptation and mitigation actions will further reduce the risk, but not remove it altogether |

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 | 2024/2025 |
|----------|-------------------------------|-----------|-----------|-----------|
| Majors | 60% | 83% | 80% | 84% |
| Minors | 70% | 79% | 70% | 74% |
| Others | 70% | 85% | 86% | 84% |

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 (Completed) | 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 and well above government targets. This quarter has seen the implementation of the new MasterGov system which resulted in some down time and additional time for officers to learn a new system. Performance has been maintained throughout this period and the single IT system will have benefits moving forward.

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 in this area |
| 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 and Innovation Programme with corporate buy-in is imperative to ensure we optimise the output 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 and 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.
- IT Security Training published to all staff and councillors is available through the MetaCompliance Training portal.
- Rules regarding ethical and responsible use of AI published to [Our Intranet](#).
- Our Digital Strategy reflective of our Digital vision for BCP has been shared with our Directors Strategy Group, Corporate Strategy Board and with our portfolio holder. Our Data and Innovation Programme will drive the delivery of this and the initial 'discovery phase' of this programme has been signed off by our Corporate Strategy Board and is underway.
- AI briefing and overview to be scheduled with Cabinet.
- Data Loss Prevention (DLP) initiative progressing 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: Our Digital Strategy reflective of our Digital vision for BCP has been shared with our Directors Strategy Group, Corporate Strategy Board and with our portfolio holder. Our Data and Innovation Programme will drive the delivery of this and the initial 'discovery phase' of this programme has been signed off by our Corporate Strategy Board and is underway.</p> | In progress, October 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 Autumn 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 Corporate Management Board (CMB) accepting the proposal to adopt the recommended Data Classification Scheme on all council document artefacts and emails. Phase 2 is now underway. It has extended the userbase and will ensure the technical controls applied to these labels will not “break” existing working practices prior to a full deployment later 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 Council 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> | COMPLETE | |
| 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> | COMPLETE | |
| 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 and 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 and 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> | October 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: COMPLETED. The IT Security Team, working alongside Information Governance colleagues, ensuring the policy is updated.</p> | COMPLETE |
| 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 and 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 has been scoped as an output for Phase 1 of the Data and Innovation Programme.</p> | October 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 Phase 1 of the Data and 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

Updates to the actions listed have been included within the table above.

Phase 1 of the Data and Innovation Programme is now underway.

This discovery phase is designed to lay the groundwork for the entire initiative. The focus is on establishing robust governance structures, completing fundamental IT and data projects, and enabling the control of AI usage across the council.

By leveraging digital technologies and data-driven insights, the programme aims to enhance service delivery, improve customer experience, and drive operational efficiency for BCP Council.

These initial activities will involve engaging with strategic partners and staff, mobilising governance structures, and setting the foundations for future phases of AI innovation.

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 | ↔ | Actions progressing |
| 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 CRM system, which provides a platform for new digital service development | June 2025 |
| Action 6: | Complete rewrite of website pages | 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 | 2 | 1 | 2 |  |  |

Quarter Update

The focus during the last quarter has been on delivery of the second stage of the Dynamics CRM system. This is due to be completed in June 2025 and will deliver the following benefits:

- **Enhancements to the platform** adding reusable, consistent features for calculating age, preventing underage access, restricting past and future dates and checking for duplicate records.
- **Google Maps** enhancements.
- **Payment processing** ability to issue full or partial payment refunds
- **Save for Later Functionality** allows users to pause and resume incomplete service requests.
- **My Account Improvements** improving accessibility, fixing errors, and integrating features like bookings, payments, and file uploads.
- **Causeway Alloy Bin Day Lookup** a tool that helps people check their bin collection dates easily.
- **Causeway Alloy Integration** ensuring cleansing and road/pavement reports update in real-time across all systems, automating case updates.
- **Garden Waste Integration** Automates annual garden waste payments, handling renewals and cancellations.
- **Telephony Integration with Customer Relationship Management system** to provide full visibility of customer interactions to Customer Advisors.

- **Knowledge Transfer** documenting workflows, integrations, and error-handling for smooth knowledge handover between staff and services.
- **Decommissioning of former CRM**

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 | ↔ | New CRM functionality will deliver some benefits immediately with others emerging over the next 12 month period. There is still work to do on redesigning customer journeys to ensure they are optimised and can take advantage of, and be supported by, the new technology now in place |
| Target Score | ↔ | |

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

Risk Owner – Kelly Deane, Director of Housing and Public Protection

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 is 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 | 2 | 6 |  |  |

Quarter Update

There are no significant updates for the quarter. Protest activity continues to be well managed with multi agency working between the council and police. Pressures continue to be managed regarding asylum seeker placement, with active engagement at a national and regional level. The Home Office is seeking to identify pathways and frameworks for improving accommodation provision and move-on for asylum seekers. However, the council has been clear there are resource requirements which go beyond the financial support on offer and until these are resolved, we are unable to support.

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 |  | Sufficient management and mitigation in place at this stage |
| Target Score |  | See quarter update above |

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

With 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

Following the closure of the Transformation Programme we maintain the following mitigations:

- The Transformation Programme, formally agreed by Cabinet and Council, was closed in March 2025. The Data and Innovation Programme has been initiated and is in first stage discover phase; signed off by the BCP Council Corporate Strategy Delivery Board to ensure robust governance, reporting is maintained and that we continue to drive outputs and deliverables.
- Our Digital Strategy has been written and will soon be published, with the Data and Innovation focused on delivering this vision.
- 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 the 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. Corporate Transformation Programme closed 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 the delivery of the Data and Innovation Programme, our Customer Strategy and our efforts to build the capacity and capability to deliver this.
- Transformation Working Group has been maintained and provides monthly updates to our members on outputs of the initial programme. We have recently renamed this to our 'Digital Working Group'; our aim to continue to share insight and progress of our digital strategy to meet the associated aims of BCP Corporate Strategy.

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

Data and Innovation Programme:

- First phase 'discovery' is underway, aligned to corporate Digital Strategy. The programme and strategy have been agreed with our Corporate Strategy Board and in ongoing conversations with our Portfolio Holder. 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 will soon be published and has been shared with Corporate Strategy Board and our Director's Strategy Group. 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 UNDERWAY | April 2025 |
| Action 3: | Continue Adults' Transformation Programme UNDERWAY | April 2025 |
| Action 4: | Develop and establish a new Data and Innovation Programme UNDERWAY | 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 COMPLETED | April 2025 |
| Action 8: | Data and Innovation Programme business case to be proposed and put through governance procedures for sign off and agreed commencement UNDERWAY | 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 | 2 | 2 | 4 |  |  |

Quarter Update




Our Data and Innovation programme has commenced, with a focus on four key workstreams:

- Employee Empowerment and Digital Adoption
- Our Data
- Technology and Innovation
- Governance, Collaboration and Continuous Improvement

Our BCP Council Digital Strategy has been drawn up and will shortly be published. Digital Working Group continues to focus monthly to share outputs of our Transformation programme and our ongoing delivery against our Digital Strategy with our members.

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 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."

Partnership arrangements have also been highlighted as a risk in the Annual Governance Statement and external audit reports.

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

- Lack of resources to identify partnerships, maintain a council partnership register, develop and gain approval for a partnership governance framework
- Lack of resources to ensure guidance is shared, promoted and championed
- 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)
- Council is not compliant with its own policy and/or recommended guidance from Government/other organisations

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 – being reviewed
- Partnership register in place – being updated

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: | Internal audit met with the new Head of Service for Policy, Strategy & Partnerships to outline the recommendations from the 23/24 internal audit report | March 2025 |
| Action 2: | Review and update the Partnership Register | April 2025 |
| Action 3: | Templates to be circulated to Directors for review and update the partnership register | Sept 2025 |
| Action 4: | Corporate Management Board (CMB) to determine what level of corporate oversight is required for partnerships. Head of Service to bring a report to CMB outlining actions taken and to enable CMB to: <ul style="list-style-type: none"> consider whether all existing partnerships are still required and fit for purpose to deliver corporate priorities efficiently and effectively, and thereafter to: provide assurance (such as via a best practice checklist*) over the governance arrangements in place for key partnerships agree and co-ordinate production of relevant performance information to facilitate corporate oversight | December 2025 |
| Action 5: | Ensure framework is operational/provide relevant performance information facilitating corporate oversight | |
| 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 | 2 | 1 | 2 |  |  |

Quarter Update

When the new Head of Policy, Partnerships and Strategy started in March 2025, internal audit held a meeting to discuss the outstanding recommendations from a previous audit, and the need to be compliant.

A team meeting was held to discuss the work and identify some key early tasks which are now completed.




Building on work previously done to define a partnership, what good governance means and why it is needed, and the creation of partnership registers for some areas of the council, these tasks were to re-organise the registers into the current service structure, to add in template registers where these were missing, and to re-allocate partnerships to their appropriate services.

Next steps will be to spend time explaining the need and the ask of Directors to work with their management teams to identify the key partnerships in their areas and add them to their lists, before the autumn 2025.

A report will be written for CMB as outlined above, scheduled for around the end of the year (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 |  | |
| Net Score |  | Work has started on the actions related to this risk. |
| Target Score |  | Work has started on the actions related to this risk. |

| |
|--|
| Risk CR24 – We may fail to adequately address concerns around community safety |
| Risk Owner – Kelly Deane, Director of Housing and Public Protection |
| 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. | |
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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 |  |  |

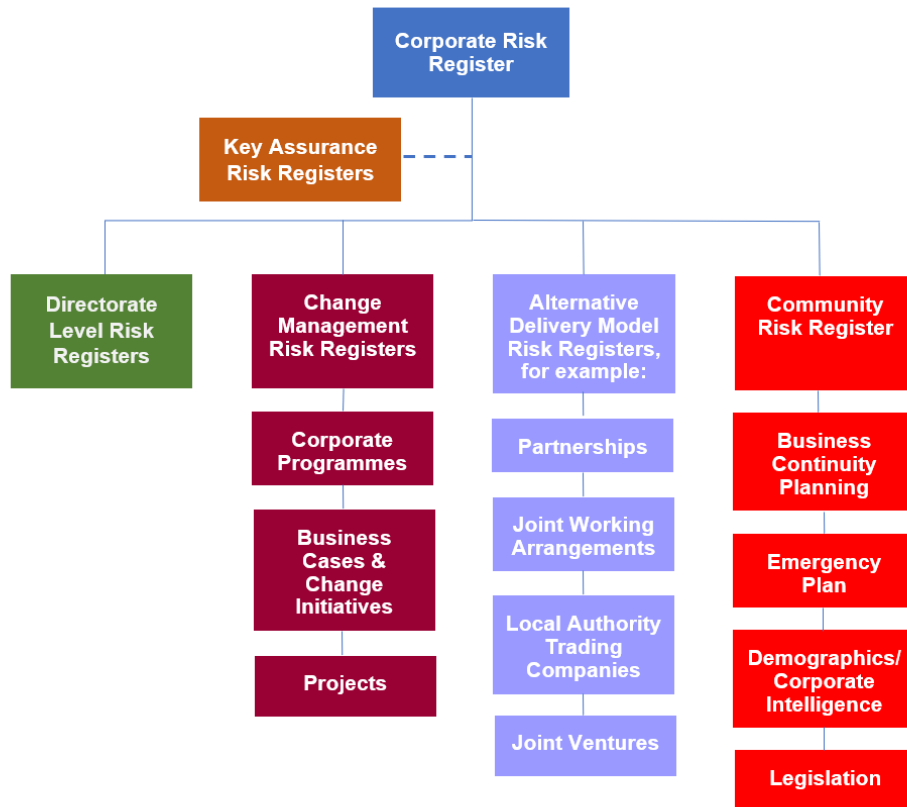
Quarter Update

Strong partnership working continues to take place to address issues relation to Community Safety and perceptions of community safety using an evidence-based approach. The launch of the Community Safety Partnership's #Justdont campaign seeking to address inappropriate male behaviour towards women: [Just Dont campaign](#). We have finalised the activities under our grant funded Safer Streets 5 programme and launched a programme of work to address Harmful Sexual Behaviours using education, information and early prevention techniques.

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 | ↔ | No significant changes experienced. |
| Net Score | ↔ | |
| Target Score | ↔ | |



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AUDIT AND GOVERNANCE COMMITTEE



| | |
|----------------------------|--|
| Report subject | Internal Audit - Quarterly Audit Plan Update |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>a) Note progress made and issues arising on the delivery of the 2025/26 Internal Audit Plan.</p> <p>b) Note the explanations provided for non-implemented recommendations (Appendix 1) and determine if further explanation and assurance from the Service / Corporate Director is required.</p> |
| Reason for recommendations | <p>To communicate progress on the delivery of the 2025/26 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 | Not applicable |
| Classification | For Information |

Background

1. This report details Internal Audit's progress against the 2025/26 Audit Plan for the period April to June 2025 inclusive ("Quarter 1") and reports the audit opinion of the assignments completed during this period. Due to previous reporting deadlines and Committee dates, it also reports on progress against the 2024/25 from March 2025.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management (as at 30 June 2025).

Delivery of Internal Audit Plan – March 2024/25 and Quarter 1 (April – June) 2025/26

3. 28 audit assignments (including one joint report) have been **finalised between March and June 2025** as outlined below:

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|---|---------------------------|--|---------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| | 2024/25 Audit Plan | | | | | |
| 1 | Finance | Business Continuity (Service KAF) ➤ Review of Finance Business Continuity Plan ➤ Review of Finance Business Impact Assessment ➤ Compliance with Corporate Guidance ➤ Staff awareness and local testing of the plan | Reasonable | 0 | 1 | 1 |
| 2 | Finance | Business Continuity (Core KAF) ➤ Review of corporate business continuity planning guidance ➤ Review of testing arrangements and corporate monitoring ➤ Review of Business Impact Assessments including returns, content and monitoring | Reasonable | 0 | 0 | 2 |
| 3 | Marketing, Comms & Policy | Business Planning & Performance Management (Core KAF) ➤ Review of the corporate strategy including: - Consultation and Approval arrangements - Links to the corporate risk register - Links to the Medium-Term Financial Plan ➤ Ensure corporate expectations for Business Plans have clearly defined objectives, strategies, and link with the MTFP and legislation ➤ Review of the corporate performance management, reporting and monitoring arrangements ➤ Review of quarterly performance reports and if they have been used to inform corporate strategy ➤ Following up of previous recommendations (2023/24) | Reasonable | 0 | 2 | 1 |
| 4 | Marketing, Comms & Policy | Business Planning & Performance Management (Service KAF) ➤ Review of the business planning to ensure that the following are in place and sufficient: - Service Plan - Agreement of Service Business Plan | Reasonable | 0 | 1 | 1 |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|---|--|--|---------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| | | <ul style="list-style-type: none"> - Defined Roles & Responsibilities - Service Level Agreements ➤ Review of the performance management in place to ensure that the following is in place and sufficient: <ul style="list-style-type: none"> - KPIs measuring quality and productivity - Performance Reporting - Monitoring of performance data | | | | |
| 5 | Quality, Improvement, Governance & Commissioning | Children's Fire, Health and Safety (Service KAF) <ul style="list-style-type: none"> ➤ Fire Safety Management ➤ Health & Safety Governance ➤ Training & Competency ➤ Incident Reporting & Compliance ➤ Workplace Safety & Inspections | Partial | 4 | 0 | 1 |
| 6 | Planning & Transport | CIL - Management of Spend <ul style="list-style-type: none"> ➤ Reviewed accounting and record-keeping arrangements in place to support compilation of the 2022/23 Infrastructure Funding Statement | Consultancy | 0 | 0 | 0 |
| 7 | Children's Commissioning | Commissioning Delivery <ul style="list-style-type: none"> ➤ Supplier sufficiency & quality assurance ➤ Identification of need & requesting, placement matching and monitoring ➤ Gateway decision making | Partial | 2 | 6 | 1 |
| 8 | Customer & Property | Council Companies Governance Follow-Up <ul style="list-style-type: none"> ➤ Follow up of status of governance arrangements & self-assessment status | Follow Up | 0 | 0 | 0 |
| 9 | Finance | Creditors (KFS) and Mandate Fraud (Counter Fraud) <ul style="list-style-type: none"> ➤ Governance Arrangements ➤ Orders ➤ Invoices ➤ Payments ➤ Suppliers ➤ Feeder Systems ➤ System Access | Reasonable | 0 | 8 | 2 |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|----|-----------------------------|--|---------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| 10 | Housing & Public Protection | Housing - Temporary Accommodation and B&B Financial Management <ul style="list-style-type: none"> ➤ Review of management arrangements to ensure: <ul style="list-style-type: none"> -Reasonable budgets are set -Expenditure is monitored against agreed budgets ➤ Review of governance and decision-making framework including: <ul style="list-style-type: none"> -Roles and responsibilities -Resource planning, allocation and capacity -Performance management arrangements including reporting to senior managers and councillors and associated actions / follow-up ➤ Review of management arrangements to ensure timely and cost-effective debt recovery from current and former temporary accommodation / B&B tenants | Partial | 2 | 3 | 0 |
| 11 | Law & Governance | Information Governance <ul style="list-style-type: none"> ➤ High level review of previously implemented recommendations to ensure risks continue to be mitigated. <ul style="list-style-type: none"> -Review of arrangements for breach reporting, escalation and mitigation -Review of arrangements for compliance checks and ensure self-assessment tool is in place -Review of arrangements for training performance monitoring -Review of Information Governance Board Terms of Reference to determine accountability and escalation of Information Governance issues -Review of action plans resulting from IGB meetings -Review Information Governance Risk Register ➤ Review monitoring, escalation and mitigation arrangements for SARs and FOIs | Reasonable | 0 | 2 | 0 |
| 12 | Investment & Development | Investment & Development - KAFs Overview <ul style="list-style-type: none"> ➤ Health & Safety ➤ Information Governance ➤ Business Continuity ➤ Business Planning & Performance Management ➤ Human Resources ➤ Safeguarding | Reasonable | 0 | 0 | 4 |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|----|---------------------------|--|---------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| | | <ul style="list-style-type: none"> ➤ Risk Management ➤ Partnerships ➤ ICT <p><i>Note – KAF areas of Fire Safety, Procurement, Programme & Project Management & Financial Management were not included in this audit. The latter were included as part of the Housing Acquisitions Programme Review.</i></p> | | | | |
| 13 | Marketing, Comms & Policy | Partnerships <ul style="list-style-type: none"> ➤ To ascertain the status of corporate Partnership arrangements and the implementation of recommendations raised in the 2023/24 audit | Follow Up | 0 | 1 | 0 |
| 14 | Finance | Risk Management (Core) <ul style="list-style-type: none"> ➤ Risk Management Strategy & Policy ➤ Oversight & Accountability ➤ Training & Communication ➤ Corporate/Service Risk Registers ➤ Compliance and Review ➤ Risk Management App ➤ Previous Recommendations | Reasonable | 0 | 0 | 1 |
| 15 | Adult Social Care | Corporate Safeguarding (KAF) <p>Review corporate safeguarding arrangements including:</p> <ul style="list-style-type: none"> ➤ Council strategy and governance/ framework arrangements (including roles, responsibilities, and procedures for identifying and responding to safeguarding concerns) ➤ Safeguarding risks are considered and included as part of the corporate risk management framework and within corporate and service risk registers ➤ Safeguarding mandatory training for all employees ➤ Recruitment process safeguarding arrangements including DBS checks ➤ Ensure DBS checks and Safeguarding mandatory training is carried out for Councillors ➤ Safeguarding champions are in place for all directorates and attend network meetings | Reasonable | 0 | 4 | 0 |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|----|----------------------|---|---------------|-----------------|-----|-----|
| | | | | High | Med | Low |
| 16 | Adults Commissioning | Supplier Assurance <ul style="list-style-type: none"> ➤ Procurement Strategy ➤ Roles and Responsibilities ➤ Accountability ➤ Mechanisms of Contract Management and Commissioning Oversight ➤ Policies and Procedures ➤ Regulated and unregulated suppliers ➤ Reporting mechanism ➤ Impact of new Procurement legislation | Partial | 4 | 1 | 1 |
| 17 | IT & Programmes | Third Party Access <ul style="list-style-type: none"> ➤ User Management - Management of remote third-party users ➤ Remote Access - Management of third-party remote access ➤ Automated Controls - Infrastructure/Automated Controls ➤ Contracts - Vendor contracts <i>Note – this audit was delivered by specialist IT contractor</i> | Reasonable | 0 | 6 | 1 |
| 18 | Finance | Treasury Management (KFS) <ul style="list-style-type: none"> ➤ Confirmation that borrowing has been completed in line with approved strategy ➤ Review of outstanding borrowing 23/24 ➤ Regular reconciliations are carried out ➤ Review of Strategy to ensure it is in line with statutory guidance and reviewed regularly ➤ Access to cashflow systems ➤ Follow up on three recommendations made in 2023/24 Audit | Reasonable | 0 | 1 | 2 |
| 19 | Adults Commissioning | Tricuro Financial Controls <ul style="list-style-type: none"> ➤ Financial Management ➤ Review & Verification ➤ Delegated Authority | Reasonable | 0 | 1 | 0 |
| 20 | Finance | Procurement (KAF) <ul style="list-style-type: none"> ➤ Review of the project management arrangements for the implementation of the Procurement Act 2023 to ensure effective compliance with legislative requirements ➤ Review of the terms of reference, membership and supporting documentation to | Reasonable | 0 | 9 | 0 |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|----|----------------------|--|---------------|--|-----|-----|
| | | | | High | Med | Low |
| | | <p>ensure effective oversight arrangements are in place</p> <ul style="list-style-type: none"> ➤ Review of the arrangements in place to ensure assurance provided by service contract managers is effective and meets with the reporting requirements of Procurement Act 2023 ➤ Review of the arrangements in place to ensure the completion, recording and reporting of procurement decision records is effective | | | | |
| 21 | Finance | <p>Debtors (KFS)</p> <ul style="list-style-type: none"> ➤ Policies & Procedures ➤ Invoicing ➤ Debt Collection & Recovery ➤ Write Offs ➤ Reconciliation & Reporting ➤ Access Controls | Reasonable | 0 | 2 | 1 |
| 22 | IT & Programmes | <p>Project & Programme Management</p> <ul style="list-style-type: none"> ➤ PPM Framework/ Strategy Review ➤ Policy & Procedure Documents ➤ Documentation of Project Information ➤ Reporting on Project status & Progress ➤ Oversight by relevant groups / committees ➤ Sample of those undertaken and how lessons are learnt | Reasonable | 0 | 2 | 0 |
| 23 | Planning & Transport | <p>Highways Register</p> <ul style="list-style-type: none"> ➤ Data Integrity ➤ Roles/ Responsibilities ➤ Systems (Including Access Controls) ➤ Information Sharing and Reporting ➤ Compliance with Legislation | Reasonable | 0 | 1 | 1 |
| 24 | Customer & Property | <p>Fire Safety (KAF) Follow Up</p> <ul style="list-style-type: none"> ➤ Follow up of recommendation made in 2023/24 | Follow Up | <p>No new recommendations made – 5 medium recs outstanding</p> | | |

| | Service Area | Audit & Scope | Audit Opinion | Recommendations | | |
|------------------------------|-----------------------|--|---------------|-----------------|-----------|-----------|
| | | | | High | Med | Low |
| 25 | Planning & Transport | Planning Applications (Counter Fraud) <ul style="list-style-type: none"> ➤ False or misleading information provided by applicants ➤ Unfair / inappropriate influence on Planning decisions ➤ Manipulation / waivers of fees and charges ➤ Misuse of privileged Planning information | Reasonable | 0 | 7 | 0 |
| 26 | Commercial Operations | Flood and Coastal Erosion Risk Management (FCERM) <ul style="list-style-type: none"> ➤ Commercial Operations ➤ Procurement Activity ➤ Team Resilience | Reasonable | 0 | 0 | 1 |
| 27 | Finance | Asset Management (Estates) (KAF) <ul style="list-style-type: none"> ➤ Corporate Governance ➤ Asset Ownership ➤ Asset Valuation ➤ Asset Leasing ➤ Asset Acquisition ➤ Asset Disposal ➤ Follow-up of Prior Recommendations | Partial | 1 | 6 | 1 |
| 2025/26 Audit Plan | | | | | | |
| 28 | IT & Programmes | Licensing <ul style="list-style-type: none"> ➤ License Management ➤ Leavers ➤ Budget Management | Reasonable | 0 | 3 | 0 |
| Total Recommendations | | | | 13 | 67 | 22 |

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 Assurance Audit Opinions

4. There were 5 'Partial' assurance audit reports issued during the quarter as follows:

2024/25 Children's Services – Fire, Health & Safety – four high and one low priority recommendations were made to address the following issues:

| High Priority | |
|---|--|
| Fire Safety | Differences were identified between the Children's Services records of fire responsible buildings and the Corporate Fire Safety Team's records of buildings. |
| Fire Safety | Most Children's Services responsible buildings have not been allocated an adequately trained Local Fire Safety Co-ordinator. |
| Fire Safety | Fire safety checks had not been carried out in line with their required schedule. |
| Fire Safety | Fire Risk Assessments had not been completed for two buildings. |
| Medium Priority | |
| No medium priority findings identified. | |
| Low Priority | |
| Health & Safety | Children's Services Fire, Health & Safety Risk Register could be improved by the inclusion of Lone Working arrangements. |

2024/25 Children's Services – Commissioning Delivery – two high, six medium and one low priority recommendations were made to address the following issues:

| High Priority | |
|--|--|
| Identification of need & requesting, placement matching & monitoring | Placement approval forms were not all approved in line with the service scheme of delegation. |
| Gateway decision making | The Gateway board process has fundamental issues, such as one of the boards not operating at all, poor attendance, and no specified quorums. |
| Medium Priority | |
| Supplier sufficiency & Quality Assurance | <p>Evidence could not be provided for all providers sampled that they had been accredited and that those accreditations remained current.</p> <p>The Sufficiency Strategy Action Plan is not regularly updated and currently has no oversight.</p> <p>There is no reporting over demand or sufficiency to senior management.</p> <p>Information is still being stored on mapped servers instead of on a cloud based system such as SharePoint.</p> |
| Identification of need & requesting, placement matching & monitoring | Placement referral forms could not be located for all placements reviewed. |
| Gateway decision making | There is currently no process in place for reconciling the number of young people in a placement and the number of placements in use. |
| Low Priority | |
| Supplier sufficiency & Quality Assurance | The sufficiency data set can be refined and developed to provide additional information. |

2024/25 – Housing – Temporary Accommodation and Bed & Breakfast Financial Management – two high and three medium priority recommendations were made to address the following issues:

| High Priority | |
|--|--|
| Budget Setting and Expenditure Coding | Income and expenditure budgets are in need of comprehensive review and re-basing to ensure they are sufficient, aligned to service demand / experience and that contingency arrangements are in place in case of reduction in grant funding. Misalignment of financial system budget and expenditure codes and inconsistent cost allocation practices inhibit financial oversight and decision-making. |
| Arrears | Timely recovery action has not been taken in respect of many Temporary Accommodation (TA) rent arrears accounts (both former and current tenants) and policies and procedures are outdated and not formally aligned with the Corporate Debt Management Policy. Current B&B arrears monitoring and management arrangements do not facilitate timely recovery action and have resulted in accumulation of statute-barred debts. Debtor checks on housing applicants and current tenants cause delays in processing write-offs. |
| Medium Priority | |
| Asset Management | Lack of TA Strategic Asset Management Plan and minimal ongoing investment places reliance on reactive maintenance leading to increased need for repairs, longer void periods and higher B&B costs. |
| Bad Debt Provision | There is no specific bad debt provision for TA and B&Bs, limiting management's ability to monitor, assess and take appropriate and timely action to minimise losses. TA debts recorded on Northgate are not included in the Council's overall bad debt provision. |
| Performance Monitoring | Lack of regular formal and comprehensive performance reporting compromises timely senior management assurance and oversight. |

2024/25 – Wellbeing – Supplier Assurance – four high, one medium and one low priority recommendations were made to address the following issues:

| High Priority | |
|---|---|
| Procedure | There is no procedure for supplier assurance. |
| Contracts | Contracts are not always in place. |
| Insurance | Evidence of valid insurance was not in place for all expected contracts. |
| Contract Monitoring | Contract monitoring was not in place in all cases, was inconsistent and not evidenced. |
| Medium Priority | |
| Document Filing | No clear filing system for documentation. |
| Low Priority | |
| Procurement and Contract Management Strategy | The procurement and contract management strategy does not include ASC supplier assurance. |

2024/25 Finance - Asset Management (Estates) KAF – one high, six medium and one low priority recommendations were made to address the following issues:

| High Priority | |
|------------------------------|---|
| Corporate Governance | Data on Civica TechForge is incomplete and not reconciled to Dynamics. |
| Medium Priority | |
| Corporate Governance | Data on Civica TechForge is inconsistently recorded. Corporate Property Groups are not given any data insights from Civica TechForge. There is no up to date action plan for the Corporate Asset Management Plan. |
| Asset valuation | Assets on Civica TechForge are missing valuations or have out of date valuations. |
| Asset Leasing | Reviews of lease rent reviews, break periods and endings are not carried out in a timely manner. |
| Asset Acquisition & Disposal | There are no Council-wide asset acquisition or disposal policies. |
| Low Priority | |
| Corporate Governance | The terms of reference of the corporate property groups have not been reviewed. |

- There were no 'Minimal' assurance audit reports issued during the quarter.
- There were no "Risks Accepted" formally accepted during the quarter.
- The status of **audits in progress** at the end of the quarter are outlined below (note – these are 2025/26 audits unless otherwise stated):

| | Service Area | Audit | Progress |
|----|-----------------------------|---|--------------|
| 1 | Commercial Operations | Car Parking & Enforcement Income Management (2024/25) | Draft Report |
| 2 | Investment & Development | Housing Acquisitions Programme Review (2024/25/26) | Draft Report |
| 3 | IT & Programmes | BACS Bureau | Draft Report |
| 4 | Education & Skills | Schools Finance (2024/25/26) | Fieldwork |
| 5 | Commercial Operations | Seafront - Arrangements for Compliance with Planning (2024/25/26) | Fieldwork |
| 6 | Housing & Public Protection | Housing Rents (2024/25/26) | Fieldwork |
| 7 | Environment | Coroner & Mortuary Service (2024/25/26) | Fieldwork |
| 8 | Adults Commissioning | Children's Complaints | Fieldwork |
| 9 | Finance | Contract Payments (All Services) | Fieldwork |
| 10 | Customer & Property | Customer - Corporate Complaints | Fieldwork |
| 11 | Finance | Moveable Assets | Fieldwork |
| 12 | Housing & Public Protection | Leaseholder Charges | Fieldwork |
| 13 | Adult Social Care | Deprivation of Liberty Safeguards | Fieldwork |

| | | | |
|----|-----------------------------|--|-----------|
| 14 | Finance | Housing Benefit & Council Tax Reduction Scheme | Fieldwork |
| 15 | Finance | Financial Assessments | Fieldwork |
| 16 | Marketing, Comms & Policy | Social Media Management | Fieldwork |
| 17 | Schools | St Joseph's Catholic VA Primary School | Fieldwork |
| 18 | Housing & Public Protection | Food Safety Regulatory Compliance | Scoping |
| 19 | Planning & Transport | Concessionary Travel | Scoping |
| 20 | Children's Social Care | Parenting Assessment Team | Scoping |
| 21 | Public Health & Communities | Public Health Grant | Scoping |
| 22 | People & Culture | Business Continuity (Service) | Scoping |
| 23 | People & Culture | Business Planning & Performance (Service) | Scoping |
| 24 | IT & Programmes | Application Development | Scoping |
| 25 | IT & Programmes | Guest WIFI Networks | Scoping |
| 26 | Adults Commissioning | Out of Borough Placements | Scoping |

8. The 2024/25 and 2025/26 Audit Plans have been kept under review to ensure that any changes to risks, including emerging high risks, are considered along with available resource. The table below shows the changes which have been made to the 2024/25 Audit Plan in March and the 2025/26 Audit Plan during quarter 1.
9. A temporary vacancy (explained further in paragraph 33 below) has resulted in two medium priority audits being deleted from the plan. The two audits were selected as they were of a medium (rather than high) internal audit risk; there are other audits on the 2025/26 audit plan in the directorate, and audits with a similar scope have been undertaken recently. A further high priority audit has been removed from the plan, this was done in conjunction with Children's Services senior management as assurance has been provided by Ofsted in recent months and this would represent a duplication of assurance and resource.

Table showing amendments to the 2024/25 and 2025/26 Internal Audit Plan

| Service Area | Audit | Added / Removed | Internal Audit Risk Score | Rationale |
|--|--|-------------------------------|------------------------------|--|
| Quarter 4 2024/25 (March 2025 only) | | | | |
| Investment & Development | Housing Acquisitions Programme Review | Added | High | Concerns were highlighted in respect of potential overspend on the Housing Acquisitions programme and inadequate programme management. Given the potential size of the overspend, this was added to the 2024/25 Internal Audit Plan as a 2024/25/26 audit. A draft report has been issued and will be reported to the next Committee meeting. |
| Customer & Property | Corporate Complaints | Slipped to Qtr1 2025/26 | Medium | Due to resource pressures, this is now being carried out as part of the 2025/26 Audit Plan and a draft report is due shortly. |
| Quarter 1 2025/26 | | | | |
| Commissioning Resources & Quality | Quality Assurance (Business Planning & Performance Management) | Removed | High | <p>This was removed from the plan in agreement with the Children's Services management team. This had been covered by the Ofsted Inspection in December 2024. It was included in "The impact of leaders on social work practice with children and families" which was judged as "good" and specifically reported that "Quality assurance (QA) arrangements are now effective.</p> <p>A comprehensive, holistic and learning approach to QA is well established. Regular practice learning reviews with social workers are now embedded, helping to improve outcomes for children and support practice improvement for individual social workers. Thematic practice learning weeks are much valued by workers in helping to improve their learning and enhance their practice."</p> <p>Given how recently this area was reviewed by Ofsted, who</p> |

| | | | | |
|-------------|-------------------------------|---------|--------|---|
| | | | | are the subject matter experts, this assurance was considered suitable, and that additional assurance in this area was not required at this time. The audit will be considered as part of the 2026/27 audit plan. |
| Environment | Mortuary Digitisation | Removed | Medium | Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and a Coroners & Mortuary Audit was undertaken in 2024/25/26 and will be reported to the next Committee. |
| Operations | Health & Safety (Service KAF) | Removed | Medium | Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and core Health & Safety audit will be undertaken during 2025/26. |

10. Quarter 2 planned audits 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.

2025/26 Audits Planned for Quarter 2 – Provisional

Unless otherwise stated, all audits are 'assurance'

| | Service Area | Audit | IA Risk Score | Provisional Scope – to be agreed with Management |
|----|-----------------------------|---|---------------|---|
| 1 | Customer & Property | Fire Safety - Corporate Buildings (Core KAF) | High | Annual KAF. Recent amalgamation of arrangements for corporate & HRA buildings. Audit to include new governance arrangements and statutory compliance. Partial audit report for Fire Safety in Children's Services has potential wider implications. |
| 2 | Finance | Financial Management (Core KAF) | High | Annual KAF to ensure robust financial controls in operation. Significant financial challenge increasing risk of this audit. |
| 3 | Finance | Main Accounting (KFS) | High | Annual Key Financial System Review. Significant financial impact if main account system not effectively controlled. |
| 4 | Environment | Passenger Transport Operations (Service KAF) | High | Reviewing Financial Management, governance arrangements and links with other Service Directorates. Previous breach of Financial Regulations (c.£10m). |
| 5 | Housing & Public Protection | Housing Quality - Social Housing Regulations Compliance | High | Ensure that Council has arrangements in place to ensure compliance with the Social Housing Regulations |
| 6 | People & Culture | HR / Payroll Data Analytics | Medium | To be completed with Payroll KFS audit. Specific analytical work to be undertaken on Payroll data to ascertain anomalies or errors. |
| 7 | People & Culture | Payroll (KFS) | Medium | Key Financial System audit to review main expenditure of Council funds. Potential high risk area due to spend on staffing. |
| 8 | Adult Social Care | Extra Care Housing | High | To review allocation & monitoring of extra care housing. |
| 9 | Adult Social Care | Follow-Up on ASC Commissioning Recommendations | High | Partial audit opinion – extended follow up to ensure high (& other recs) implemented & embedded. |
| 10 | Housing & Public Protection | Procurement & Contract Management (KAF) | High | Service has had a number of high value breaches of Financial Regulations in recently years. To review compliance with corporate requirements to ensure future breaches will not arise. |
| 11 | Housing & Public Protection | Right to Buy (Counter Fraud) | High | Part of Council's commitment to deterrence, prevention & detection of fraud. |
| 12 | IT & Programmes | ICT (Core KAF) | Medium | Annual Key Assurance Function on the core provision of IT. This review may include reviewing organisational wide policies, security, assets and so forth. The scope will be informed by discussions with the service closers to |

| | | | | |
|----|-----------------------|--|--------|--|
| | | | | commencement of the audit. |
| 13 | Law & Governance | Officer Decision Records | High | To review how decisions are documented and if this is in line with Council policy. Potential significant decisions which are made should have sufficient supporting evidence to confirm why decisions made |
| 14 | Customer & Property | Blue Badges (Counter Fraud) | Medium | Part of Council's commitment to deterrence, prevention & detection of fraud. |
| 15 | Planning & Transport | Bus Subsidy Arrangements | Medium | To assess changes to bus subsidy arrangements to meet Council overall finance pressures. |
| 16 | Planning & Transport | Business Planning & Performance Management and Risk Management (Service KAF) | Medium | To review new service plan for 2025/26 and associated performance and risk arrangements |
| 17 | Commercial Operations | Cash Income - Seafront Arcade (Counter Fraud) | High | Part of Council's commitment to deterrence, prevention & detection of fraud. |
| 18 | Education & Skills | Adult Learning | Medium | Examine the effectiveness of adult learning programmes, ensuring they meet the needs of the community, provide value for money, comply with statutory requirements and address any skill gaps. |
| 19 | Adult Social Care | ASC Contact Centre | Medium | To review effectiveness of the ASC contact centre. |
| 20 | Law & Governance | ICT (Service KAF) | Medium | To review key IT systems within Law & Governance due to replacement of key system for management of legal cases. |

11. Based on the progress against the plan to date, as shown in the paragraphs above, the plan is on track to be materially delivered in time to support the Chief Internal Auditor's annual audit opinion.

Significant Issues Arising and Other Work

Single Person Discount

12. The Compliance Team have been undertaking the Council Tax Single Person Discount (SPD) reviews since December 2024.
13. The initial objective of the team was to complete the review of the 4,182 outstanding 2023/24 National Fraud Initiative (NFI) matches, passed back from Internal Audit, against current information/data.
14. As of 30 June 2025, the team have completed the review of all 4,182 matches and are in the process of sending letters out to 838 residents. This has so far resulted in 116 SPDs being identified as errors, raising additional council tax yield to £135,144, which includes financial penalties being issued for all 116 SPDs totalling £8,120.
15. The team are now focussing the review of the 24/25 NFI matches to further improve council tax yield. In addition the team are considering the process of automating reviews for all SPDs outside of NFI data matching process.

BCP FuturePlaces

16. As resolved at the 20 March meeting of this Committee, an investigation is currently being undertaken by the Chief Internal Auditor into FuturePlaces, the scope of which was agreed at the 29 May meeting.

17. A verbal update is being presented to today's Committee, with an interim report due in August and the final report in September 2025.

Other work

18. During March and Quarter 1, testing and verification was undertaken to certify grant schemes of over £2 million as required by the grant funding conditions. The grants include:
- Supporting Families
 - DEFRA Food Collection
 - Multiply Grant
19. Four Early Education Fund (EEF) audits were issued as final during March, bringing the total completed during 2024/25 to 30, as per the plan. An additional 7 EEF audits were issued during quarter 1. No significant issues were identified.
20. The audits of the Poole and the Bournemouth Charter Trustees were carried out during the quarter and reported to their respective committees.
21. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Global Internal Audit Standards (GIAS).

Implementation of Internal Audit Recommendations

22. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first, second or subsequently agreed 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 apprised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
23. There were 13 high recommendations across 6 audits which met the criteria; they are shown in detail in Appendix 1.
24. All remaining High Priority recommendations followed up during the period (in line with the agreed action plan) were found to have been satisfactorily implemented by management.
25. The Audit Charter also requires any Medium Priority recommendations where the original target date has been exceeded (or will exceed) by over 18 months to be reported to Audit & Governance Committee.
26. As at the end of June, there were 6 recommendations across 3 audits which met this criteria.
27. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required; explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.

Options Appraisal

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

Summary of financial implications

29. The BCP Council Internal Audit Team budgeted cost for 2025/26 is £791,400; 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.

30. Following the vacancy of one of the Audit Manager positions for approximately three months, it is anticipated that there will be a budget underspend of approximately £9,000 for 2024/25.

Summary of legal implications

31. 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

32. The Internal Audit Team currently consists of 14.35 FTE inclusive of the Head of Audit & Management Assurance.
33. There is a current vacancy (lasting approximately three months) created by the departure of an Audit Manager. A replacement for the Audit Manager has been appointed who will commence in August on a part-time basis.
34. As previously reported the contracts of the three apprentices will end in October. Subject to following the Council's procedures, two of the three apprentices will be recruited to permanent auditor roles.
35. As in previous years, the Internal Audit team deliver most audits in-house but will also engage an experienced, specialist IT audit contractor from a neighbouring local authority. This year, they will deliver the Application Development audit which is currently being scoped.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix 1 - High Priority recommendations - original target date for implementation was not met and Medium Priority recommendations outstanding for 18 months beyond the original target date

Appendix 1 - Table showing High Priority recommendations where the original target date for implementation was not met (where revised target date has not previously been reported to A&G or the previously reported revised date has passed) and Medium Priority recommendations outstanding for 18 months beyond the original target date

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|--|---------------------------------------|--|---------------------------|-------------------------------------|
| Linwood School (2023/24) | | | | |
| <p>That an action plan is developed in liaison with BCP Children's Services and School's Finance to establish an agreed recovery strategy for the deficit.</p> <p>That the cause of the deficit is investigated and agreed to ensure the risk of additional future deficits of this kind is limited.</p> | 06/09/24; 31/12/24; 31/3/25 | <p>Explanation from the Headteacher - The Special School banding review is still ongoing. Expected implementation date has moved from September 2025 to April 2026. As it has been acknowledged by BCP Education Senior Leaders, BCP Finance team and the School Resource Management Advisor (SRMA), that this delay in the review of income is causing the increasing deficit. The school cannot make changes to expenditure while maintaining a balanced budget, and high-quality provision for SEND students. Therefore, the school continues to operate with an increasing deficit position. We are committed to good fiscal management and have welcomed a further SRMA review to seek further guidance and advice.</p> <p>Our Governors take their responsibility to set a balanced budget seriously and remain in communications with BCP colleagues to ensure this situation is not forgotten.</p> <p>BCP Director of Education chaired a funding review meeting in May which was attended by the Executive Headteacher and School Business Manager. The Director asked the school, while the review was experiencing a further delay, what could be done to support Linwood in the interim. School leaders and Governors have considered this and are writing with a series of suggestions for consideration.</p> <p><i>Note – Linwood's deficit at the end of 2024/25 stood at £2m, and the cumulative deficit by 2027/28 is currently projected to be £12m.</i></p> | 30/4/26 | Yes, October 2024; December 2024 |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|--|---------------------------------------|---|---------------------------|-----------------------------------|
| Developer Contributions – Management of Spend (2024/25) | | | | |
| <p>R1. In liaison with the MasterGov system project team, Management should:</p> <p>(a) Carry out a comprehensive review of all existing Planning Obligations systems and policies and develop a unified policy framework to ensure consistency and reduce errors.</p> <p>(b) Clearly define and document any specific requirements for the Planning Obligations module within the MasterGov system. Ensure that the system is integrated with the General Ledger and includes a robust tracking system to link specific developer contributions to their associated expenditures.</p> <p>(c) Develop a detailed formal plan for the collation, review, cleansing and transfer of data to the new system including timescales, responsibilities and allocation of suitable and sufficient resource.</p> <p>(d) In consultation with Finance, ensure that interface arrangements with the Council's financial systems are formally defined, agreed and incorporated into the MasterGov project plan.</p> <p>(e) Establish clear operational responsibilities and resourcing arrangements to take effect following implementation to include regular reviews and updates of data to ensure integrity and accuracy is maintained.</p> | 31/12/24; 30/6/25 | <p>The new MasterGov system is now in place but there are still management capacity issues, including long term sickness and vacancy which restrict the ability to be able to address issues.</p> <p>The intention is to recruit a Planning Contributions Coordinator which is currently going through internal processes.</p> <p>Whilst MasterGov went live in March, the teams are still working on post-implementation challenges and the issues regarding developer contributions will be dealt with when the new post has been recruited to.</p> | 30/9/25 | Yes – Jan 25 |
| <p>R2. In liaison with Legal and Planning colleagues, Management should:</p> <p>(a) Conduct a thorough search for all missing s.106 documentation.</p> <p>(b) Establish a centralised, secure repository for documentation to ensure ease of access and protection from loss, giving explicit consideration to digitisation of new and</p> | | | | |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|--|---------------------------------------|---------------------------|---------------------------|-----------------------------------|
| <p>existing s.106 agreements for ease of access and resilience.</p> <p>(c) Review existing Planning Obligation records to ensure all records are complete, accurate and up-to-date with a focus on filling gaps in critical information such as expiry dates.</p> | | | | |
| <p>R3. In liaison with Accountancy, Management should:</p> <p>(a) Introduce robust arrangements to accurately track and link specific developer contributions to their associated expenditures. This should include detailed records that demonstrate compliance with each s.106 agreement.</p> <p>(b) Establish regular reporting mechanisms to monitor compliance with s.106 agreements and spending of contributions.</p> <p>(c) Carry out periodic sample compliance checks to ensure that developer contributions are accurately and comprehensively logged, allocated and spent appropriately within agreed timescales.</p> | | | | |
| <p>R4. In liaison with relevant Service Directorates, Management should:</p> <p>(a) Improve resilience and minimise errors by developing formal procedure notes relating to processing of Planning Obligations and associated records management covering all legacy areas, systems and Service Directorates.</p> <p>This should include the agreement and implementation of clear communication channels and protocols for information sharing between Service Directorates, Planning and Accountancy. Standardised reports should be developed for provision of information to Service Directorates when funds are transferred to them and for Service Directorates to provide timely updates on how and when developer contributions have been spent.</p> <p>(b) Provide comprehensive training for all relevant staff to ensure that Planning Obligations procedures and processes</p> | | | | |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|---|---------------------------------------|--|---------------------------|-----------------------------------|
| are fully understood and implemented effectively. | | | | |
| Housing Assets Health & Safety Follow Up (2023/24/25) | | | | |
| <p>R1</p> <p>(a) Expedite development of the BCP Homes Compliance Management Plan to define roles and responsibilities for all aspects of facilities-related Health & Safety compliance for BCP Council Housing Assets and document arrangements for monitoring, reporting and enforcement of compliance requirements.</p> <p>In the meantime responsibility for Electrical Safety, Gas Safety and Lifts should be formally assigned.</p> <p>(b) Appoint a lead and deputy compliance officer in accordance with the Social Housing Regulation Act 2023.</p> | 30/3/25 | <p>(a) Draft management plans for all big six areas of compliance have been drafted and have been externally verified by independent specialists (eg. Corgi for the gas management plan). The comments from the independent specialists have been received, and once reviewed, the final versions will be issued.</p> <p>(b) A Job Description has been produced for a Compliance Manager and approval given by the Director of Housing & Public Protection. Recruitment for the role will be undertaken shortly.</p> | 30/9/25 | No |
| <p>R3</p> <p>(a) Develop a plan with milestones and progress reviewed to expedite development and consolidation of facilities-related H&S policies into unified documents, distinguishing between corporate and landlord responsibilities and supported by comprehensive risk assessments, inspection plans and appropriate allocation of resources.</p> <p>(b) Implement a regular review schedule to ensure policies reflect current standards with reporting on compliance status to BCP Homes, Corporate Property Group and Cabinet.</p> <p>(c) Ensure policies are approved, communicated and accessible including publication on the BCP Homes website.</p> | 30/3/25 | <p>a) Responsive Repairs Policy in place which references compliance areas and schedules of activity with more detail within draft management plans, which will be finalised following review of comments from external experts. Damp and Mould Policy in place in readiness for legislation and likely to be the seventh major compliance area. Corporately, all H&S policies are in place with the exception of gas safety, which is due to be produced shortly by the corporate Health & Safety Team. Risk assessments, inspection plans and allocation of resources are in place at operational level.</p> <p>b) Implemented – regular reports go to Corporate Property Group and Cabinet</p> <p>c) Implemented – whilst there is a longer term project to make improvements to the BCP Homes website, there is documentation all the relevant areas (gas, electrical, fire & asbestos) on the website for tenants to access – such as what to do in an emergency.</p> | 31/12/25 | No |
| R8 | 30/3/25 | a) Draft management plan for Lift Safety Management has been | 31/8/25 | No |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|--|---------------------------------------|---|---------------------------|-----------------------------------|
| <p>(a) Expedite the consolidation of lift safety policies and processes across BCP Homes including development of a centralised system for tracking inspections, maintenance records and remedial works.</p> <p>(b) Establish formal contracts with third party service providers to define data ownership and service standards including timely completion of checks and maintenance activities.</p> <p>(c) Regularly download and centrally store inspection reports ensuring access is available even during external provider portal maintenance.</p> <p>(d) Implement an automated monitoring system for all passenger lifts to promptly identify and report issues.</p> <p>(e) Work with Zurich Municipal and the Corporate Insurance Manager to improve coordination of lift safety inspections and works.</p> | | <p>drafted and been verified by independent specialist lift consultant. The comments from the independent specialists have been received, and once reviewed, the final versions will be issued.</p> <p>b) Implemented - Contracts are in place with lift providers and data sits within a single protected spreadsheet. Work is underway to consolidate the contracts.</p> <p>c) Implemented - Data sits within a single protected spreadsheet and inspection reports are readily accessible</p> <p>d & e) Implemented - The spreadsheet is monitored by one team, facilitated by Power BI reporting, which identifies when LOLER inspections dates are due / overdue, LOLER inspections are undertaken by the Council's insurer Zurich, although FM don't commission these services we are in contact with the Zurich engineers to ensure the inspections are undertaken within time allowing the team to take necessary action, including closing a lift if necessary.</p> <p>The intention is to use new functionality within the NES asset management system by the end of 2025/26.</p> | | |
| <p>R9</p> <p>(a) Expedite the consolidation of fire safety policies and processes across BCP Homes ensuring consistent practices including inspection timeframes. Policies and tenancy agreements should include arrangements for Lithium-ion battery powered device storage and charging (eg. mobility scooters).</p> <p>(b) Establish and document procedures for periodic checks of fire doors, firefighting lifts, fire safety systems and other essential equipment as required by the Fire Safety (England) Regulations 2022.</p> | 30/3/25 | <p>a) Draft management plan for Fire Safety Management has been drafted and been verified by independent specialist lift consultant. Included within the plan is information about how FM manage mobility scooters and battery storage within premises. The comments from the independent specialists have been received, and once reviewed, the final versions will be issued.</p> <p>b) Implemented – this is done through SafetyCulture system, which picks up all the inspections in the recommendation. In the longer term, the intention will be to incorporate this onto NES.</p> | 31/8/25 | No |
| Artificial Intelligence (2024/25) | | | | |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|--|---------------------------------------|---|---------------------------|-----------------------------------|
| <p>1. Appoint a Senior Responsible Officer for AI: Designate a senior leader to oversee AI initiatives, providing clear leadership and strategic direction.</p> <p>2. Develop a Comprehensive AI Strategy: Create a unified AI strategy that outlines the goals, initiatives and use cases for AI across the Council. This strategy should emphasise the collective responsibility of all services including the potential use of cross-departmental workshops and collaborative projects.</p> | 29/4/25 | <p>Significant progress has been made against this risk with an ongoing focus on our approach to AI within BCP. We have appointed a Senior Responsible Officer coupled with the IT & Programmes Director, whom are driving our governance and strategic direction. <i>(Part 1 of recommendation implemented)</i></p> <p>Through our Data & Innovation Programme we have two key workstreams focused in this respect; this is in first stage discovery phase and the output of this phase will be reported in October 25 through the BCP Corporate Strategy Board. Additionally, we have published internal guidance, including the BCP "Responsible Use of Generative AI" in BCP and the '7 rules'.</p> | 31/10/25 | No |
| Children's Services – Health & Safety & Fire Safety (2024/25) | | | | |
| A complete and accurate record of all buildings and sites under the responsibility of Children's Services should be in place, regularly updated and agreed between with the Corporate Fire Safety Team, Children's Service and the Asset Management Team. | 30/6/25 | Asset numbers have now been added to the Children's Fire Records to enable easier identification of buildings. The Children's Business Manager is in the process of contacting the Corporate Fire Safety and Asset Management Teams to ensure a complete list is obtained. | 31/8/25 | No |
| All fire safety checks at Children's Services buildings must be completed according to their required schedule. Furthermore, ensure that there is adequate cover to undertake fire safety checks when a Fire Warden is unavailable. | 31/5/25 | All current Local Fire Safety Co-ordinators (LFSC) in Children's services are now booked onto the relevant training and have been assigned responsibilities. Once the complete list of Children's buildings has been confirmed, it will enable the identification of any gaps in LFSC coverage required to carry out the necessary safety checks. | 31/8/25 | No |
| ASC - Supplier Assurance (2024/25) | | | | |
| <p>A supplier assurance procedure to be established for ASC placements which covers:</p> <ul style="list-style-type: none"> • Roles and responsibilities • What supplier assurance/due diligence checks are required prior to placement • Record keeping requirements. • Ongoing contract monitoring requirements | 30/6/25 | The recommendation has been 'substantially' completed. ASC Commissioning have created a 'Roles and Responsibilities document' that is waiting for full SMT ratification and will be agreed by 1/9/25. | 1/9/25 | No |
| Medium Priority Recommendations – outstanding 18 months beyond the original target date | | | | |
| Environment – Commercial Waste Audit (2021/22) | | | | |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|---|---------------------------------------|---|---------------------------|-----------------------------------|
| <p>It is recommended that arrangements are put in place for proportionate and regular (at least quarterly) formal monitoring and management reporting including, but not limited to:</p> <p>(a) Actual vs. expected distance travelled</p> <p>(b) Actual vs. expected routes followed</p> <p>(c) Actual vs. expected waste tonnage</p> <p>(d) Complaints and customer queries</p> <p>It is further recommended that any variances are investigated in a timely manner and outcomes documented with escalation to senior management as appropriate.</p> | 30/3/23 | <p>Full implementation of this recommendation is contingent on the implementation of commercial waste specific software and integration with the CRM which is expected to be in place during 2025/26.</p> <p>In the meantime, the tonnages are recorded by the Strategy Team from the weights recorded on the weighbridges.</p> <p>Complaints are recorded and reported separately and fed into the overall figures for Environment.</p> | 30/9/25 | No |
| Finance – Risk Management (2022/23) | | | | |
| <p>An updated version of the BCP Council Risk Management Policy is produced in line with the stated timeframes, to include:</p> <ul style="list-style-type: none"> The purpose and role of Key Assurance Management Boards with specific definition and reference to Key Assurance Risk Registers Roles and responsibilities for compliance monitoring within the organisation Reporting lines for risk management for all levels of the organisation, to include specific reference to escalation to both CMB and the Audit and Governance Committee. | 31/12/23; 31/8/25 | <p>The work to progress this has been delayed by other pressing priorities.</p> <p>Work is now on-going to refresh the risk categories in line with the instruction from CMB. Once this is completed, drawing on relevant professional guidance, a new set of definitions for risk appetite will be drafted and presented to CMB again. As part of the options presented, this will include not having a defined risk appetite in the policy. The draft policy will be presented for approval at the same time with an intention of taking forward to the Audit and Governance Committee for the October meeting.</p> | 16/10/25 | No |
| Planning Contributions (2023/24) | | | | |
| Planning contributions rates should be reviewed and standardised across the BCP area where possible. | 31/3/25 | <p>This update is reliant on a new BCP CIL Charging Schedule which was linked to the draft BCP Local Plan. The draft Local Plan and draft CIL Charging have had to be withdrawn. See Council decision 3 June 2025.</p> <p>Work is starting on a new Local Plan. This will not be adopted until 2028. Existing schedules remain in place.</p> | 31/12/28 | No |
| Arrangements should be put in place to undertake regular | 31/3/25 | As above - draft BCP Local Plan has been withdrawn which | 31/12/28 | No |

| Recommendation | Original/ Revised Target Date/s | Explanation from Director | Revised Target Date | Previously Reported to A&G? |
|---|--|--|------------------------------------|--|
| formal reviews of each element of developer contributions to ensure that they remain relevant and charging rates are appropriate and up-to-date. | | impacts on this ability to harmonise. | | |
| Arrangements should be put in place to ensure that developer contribution administrative overheads are reviewed and updated on a regular (at least annual) basis, and that these are factored into subsequent calculations to ensure that costs are recovered to the fullest extent possible. | 31/3/24 | Management capacity issues mean that these issues have yet to be addressed. | 31/12/25 | No |
| Regular (at least monthly) reports should be obtained from the Building Control system and reviewed to ensure that all trigger points are identified and invoiced in a timely manner. | 31/3/24 | MasterGov system is now in place but management capacity issues mean that these issues have yet to be addressed. | 31/12/25 | No |

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AUDIT AND GOVERNANCE COMMITTEE



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| Report subject | To consider and accept a report published by the Local Government and Social Care Ombudsman |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>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.</p> <p>The published report can be found at Appendix 1 to this report.</p> |
| Recommendations | <p>It is RECOMMENDED that the Committee:</p> <ul style="list-style-type: none"> a) Considers and accepts the report published by the Local Government and Social Care Ombudsman published on 8 May 2025, which appears at Appendix 1 to this report; b) Approve the reimbursement to Mr X of any "general extras" fees he paid to the nursery from 12 February 2021; c) Approves the payment of £200 to compensate Mr X for his time and trouble in bringing the complaint d) Notes that an apology will be made to Mr X e) Notes the Council has asked the nursery to change its pricing policy so that it is line with the Guidance and Provider Agreement; f) Notes the Council has met with other FEEE providers in the area to inform them of the LGSCO decision and remind them of the Ombudsman's expectations in terms of pricing. |

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| Reason for recommendations | This report has been published following very lengthy legal proceedings and the Court supported the views expressed by the Local Government and Social Care Ombudsman. |

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|----------------------|---|
| Portfolio Holder(s): | Councillor R Burton, Portfolio Holder for Children Education and Skills |
| Corporate Director | Graham Farrant, Chief Executive |
| Report Authors | Janie Berry, Director of Law & Governance and Monitoring Officer |
| Wards | Not applicable |
| Classification | For Decision |

Background

1. In accordance with its statutory powers, the Local Government and Social Care Ombudsman has published a report setting out its findings in respect of an Education and Children's services issue. The published report appears at Appendix 1 of this report.
2. In this particular instance, Mr X complained that his local nursery asked for a mandatory top-up charge for its free education places which it was not allowed to do. Mr X said he raised this with the Council and it failed to take any action to address the problem. Based on evidence reviewed, the Ombudsman found that the Council was at fault and has caused injustice to Mr X. This resulted in the recommendations of financial remedies and an apology as detailed within this report. The official finding of the Local Government and Social Care Ombudsman is "Fault found causing injustice and recommendations made".
3. The report at Appendix 1 sets out the details of the complaint as well as the Ombudsman's Role and Powers, the relevant law, guidance and policies which includes specific reference to the Free Early Education Entitlement [FEEE] Guidance issued by the Government in 2018.

Summary of the Judicial Review Proceedings

4. The judicial review proceedings arose out of a draft report from the Local Government and Social Care Ombudsman. The Ombudsman is a statutory body which considers complaints about local authority services from members of the public. If it upholds a complaint, it will generally find fault causing injustice.
5. In this case, Mr X complained to the Council in early 2021 that he was not receiving the Government's Free Early Years Education Entitlement for his child at a private nursery in the Council's area. This entitlement allows parents of nursery age children to a number of free hours education every week, at the time of the complaint 15 hours. The entitlement is funded by Government and administered by the Council which passes the funding to nurseries for children whose parents have the entitlement. Mr X's complaint was that the nursery had charged him for "extras" such as meals and certain activities during the free entitlement hours. He said that the free entitlement meant that the nursery was not entitled to do this.
6. The Council considered his complaint, albeit that because the nursery was a private provider it did not do so through the Council's corporate complaints process. In

considering the complaint, it looked at the statutory scheme and Government guidance about the free entitlement. It took the view that the guidance allowed mandatory charges for “extras” of this nature and did not uphold Mr X’s complaint.

7. Mr X then complained to the Ombudsman, both about the way in which the complaint was handled by the Council, and about the underlying issue of whether the nursery was entitled to charge him for “extras”.
8. In correspondence with the Ombudsman, the Council accepted that it should have considered the complaint under its corporate complaints process. However, it did not accept that the legislative scheme for the early years entitlement, and the accompanying government guidance, barred providers from making compulsory charges for “extras” during entitlement hours.
9. The Ombudsman’s draft report nevertheless upheld Mr X’s complaint, and the Council challenged the draft report by way of judicial review proceedings. In the proceedings, the Council said that the legislation and guidance did not make it clear that nurseries’ charges for “extras” always had to be voluntary.
10. The Court gave judgment in February 2025, refusing the challenge and deciding that the Ombudsman was right to conclude that the legislation and guidance meant that any charges for “extras” during free entitlement hours had to be voluntary.
11. The Ombudsman’s report was published on 8 May 2025 and found that Mr X had suffered fault causing injustice. In common with most Ombudsman reports where fault and injustice are found, it made recommendations about the action which the Council should take namely:
 - reimburses Mr X for any “general extras” fees he has paid the nursery to date. Within the judicial review proceedings, the Ombudsman clarified its expectation that the Council should only repay fees from 12 February 2021, which is when the Council responded to Mr X’s concerns about the mandatory charges but failed to identify the issues.
 - Pays Mr X £200 to compensate for his time and trouble in bringing the complaint; and
 - Apologises to Mr X
 - To ensure the faults identified in this report do not continue and affect future nursery users, we recommend that the Council:
 - Asks the nursery to change its pricing policy so that it is in line with the Guidance and the Provider Agreement. If the nursery refuses to change its pricing policy, the Council should consider its powers to terminate the Agreement and withdraw funding in whole or in part; and
12. Writes to other Early Education Entitlement Funding providers in its area to inform them of our decision and remind them of its expectations in terms of charging policy.
13. In response to the Recommendations, the Council has already met with all FEEE providers in the area and informed them of the decision made.
14. New statutory guidance from the DfE has been published and this has been shared with all BCP providers. We have also run four providers meetings giving details in relation to this guidance, and offering advice and support on how to be compliant.

15. New provider agreements have been written and are being sent in the summer term for providers to sign to indicate their agreement to the new statutory guidance for charging.

Options Appraisal

16. In this instance, there is very little discretion available to the Committee other than to accept the report and findings of the Local Government and Social Care Ombudsman. The reason for this is that the matter has previously been litigated via judicial review where the Council's challenge of the Local Government and Social Care Ombudsman failed.

Summary of financial implications

17. Subject to the Committee's approval, the Council is required to pay Mr X £200 in compensation together with the reimbursement of fees incurred since 12 February 2021, which is estimated to be in the region of £2489 however this will be clarified with Mr X subject to the recommendations of the Audit & Governance Committee.

Summary of legal implications

18. Following publication of the report on 8 May 2025, the Council published a statutory notice in the Bournemouth Echo and the New Milton Advertiser and Times on 22 May 2025 in accordance with the provisions of the Local Government Act 1974.
19. The Local Government and Social Care Ombudsman has issued its report in accordance with the provisions of the Local Government Act 1974. Pursuant to s31 (2) Local Government Act 1974, the Council is required to formally consider the report at a decision-making level. The Audit and Governance Committee has been deemed as the appropriate decision-making body by virtue of paragraphs 5.34 and 5.36 of the Committee's Terms of Reference.
20. The impact of the final decision of the judicial review proceedings, the decision of the Court is now legally binding across all FEEE providers in England.
21. In May 2025, Cabinet approved the revised BCP Complaints Procedures following the centralisation of the Council's complaints function in April 2025.

Summary of human resources implications

22. There are none directly arising from this report

Summary of sustainability impact

23. There are none directly arising from this report

Summary of public health implications

24. There are none directly arising from this report

Summary of equality implications

25. There are none directly arising from this report

Summary of risk assessment

26. There are no risk assessment issues directly arising from this report as this is reporting on a decision already determined by the Local Government and Social Care Ombudsman. However, as this decision is now legally binding, there is a risk of future litigation should there be a recurrence of these circumstances relating to provision of FEEE.

Background papers

BCP Council Constitution

13 May 2025 – Cabinet – Agenda, Reports and Minutes (review of the Complaints Procedure)

Appendices

Appendix 1 – Report published by the Local Government and Social Care Ombudsman on 8 May 2025, dated 10 October 2022

**Report by the Local Government and Social Care
Ombudsman**

**Investigation into a complaint about
Bournemouth, Christchurch and Poole Council
(reference number: 20 012 191)**

10 October 2022

The Ombudsman's role

For more than 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Mr X The complainant

Report summary

Education and children's services

Mr X complained that his local nursery asked for a mandatory top-up charge for its free education places which it was not allowed to do. He said he raised this issue with the Council and it failed to take any action to address the problem. Based on the evidence we have seen, the Council is at fault and has caused injustice to Mr X. We recommend financial remedies and an apology.

Finding

Fault found causing injustice and recommendations made.

Recommendations

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)

To remedy the personal injustice caused to Mr X, we recommend that within one month of the date of this report, the Council:

- reimburses Mr X for any "general extras" fees he has paid the nursery to date;
- pays Mr X £200 to compensate for his time and trouble in bringing the complaint; and
- apologises to Mr X.

To ensure the faults identified in this report do not continue and affect future nursery users, we recommend that the Council:

- asks the nursery to change its pricing policy so that it is in line with the Guidance and the Provider Agreement. If the nursery refuses to change its pricing policy, the Council should consider its powers to terminate the Agreement and withdraw funding in whole or in part; and
- writes to other FEEE providers in its area to inform them of our decision and remind them of its expectations in terms of pricing.

The complaint

1. Mr X complained about a nursery's charges when his child accessed their free education entitlement. He said the charges were not voluntary and were a top-up fee. The Council disagreed. Mr X says the Council should ensure that childcare places are free and failed to do so. Mr X says that when he informed the Council of the problem, it failed to take action and refused to consider his complaint under its corporate complaints process.

Legal and administrative background

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) as amended*)
4. Under our information sharing agreement, we will share this decision with the Office for Standards in Education, Children's Services and Skills (Ofsted).

Law, guidance and policies

Free Early Education Entitlement (FEEE)

5. The Childcare Act 2006 (as amended), the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014, the Childcare Act 2016 and the Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2016 set out councils' duties to secure early education provision free of charge.
6. All children who meet certain eligibility criteria may take up a free childcare place. This is known as the Free Early Education Entitlement (FEEE).
7. In 2018 the government issued the Early Education and Childcare Statutory Guidance. Councils must follow the Guidance unless there is a good reason to depart from it.
8. The Guidance says local authorities should:
 - work with providers and parents to ensure that all parents have fair access to a free place, which must be delivered entirely free of charge;
 - ensure that providers do not charge parents 'top-up' fees (any difference between a provider's normal charge to parents and the funding they receive from the local authority to deliver free places);
 - ensure that providers are completely transparent about any additional charges, for example, for those parents opting to purchase additional hours or services; and

-
- work with providers to ensure their invoices are clear, transparent and itemised allowing parents to see that they have received their child's free entitlement completely free of charge and understand fees paid for additional hours or services.
9. The Guidance also says:
- providers can charge for meals and snacks as part of a free entitlement place and they can also charge for consumables such as nappies or sun cream and for services such as trips and specialist tuition; and
 - parents can be expected to pay for these, although these charges must be voluntary for the parent. Where parents are unable or unwilling to pay for meals and consumables, providers who choose to offer the free entitlements are responsible for setting their own policy on how to respond, with options including allowing parents to supply their own meals or nappies, or waiving or reducing the cost of meals and snacks.
10. The Childcare Act 2006 section 9 says councils must exercise their functions with a view to securing childcare providers' compliance with these requirements.
11. In 2019 we urged councils to have better oversight of nurseries offering free early years places after a nursery chain was found to be charging Leicestershire parents a top-up fee ([19 004 977](#)). In a statement accompanying the report on that case we said:
- "The government's intentions have always been that these places are provided free of charge to parents and it is up to local authorities to administer them accordingly... Free must mean free."

The Council's Provider Agreement

12. The Council has a Provider Agreement which nurseries sign up to. This Agreement echoes the Guidance in terms of the charges. It says:
- government funding is intended to cover the cost to deliver free flexible childcare;
 - the provider can charge for meals, consumables and services. These charges must be voluntary to the parent; and
 - the Council may terminate the Agreement and withdraw funding in whole or in part if the provider breaches its statutory requirements or the Agreement itself.

The nursery's price policy

13. The nursery has a list of additional extras which parents can buy such as meals (from £1.25 for breakfast to £3.25 for lunch), sun cream (£3 a year), toothbrush (£1.99) and cooking school (£3).
14. The nursery offers funded early education (FEEE) but charges: 'general extras' to any funded FEEE hour claimed during core hours (9.30am to 3pm). 'This charge covers consumables and additional activities that are not covered by the Early Education Funding.' These general extra charges are applied per hour (£1.79) during the weeks the funding is claimed.
15. The nursery allows exceptions to the 'general extras' if:
- a child is accessing the Early Years Pupil Premium;
 - a parent has a second younger child at the nursery that does not access funding;

-
- a child accesses 30 hours' funding and attends for 40 hours or more a week.
16. The nursery does not charge 'general extras' to FEEE places outside of core hours.

How we considered this complaint

17. We produced this report after examining relevant documents provided by the complainant and the Council and interviewing the complainant.
18. We have given the complainant and the Council a confidential draft of this report and invited their comments. The comments received were taken into account before the report was finalised.

What happened

The complaint

19. In January 2021, Mr X informed the Council that one of its nurseries was charging top-up fees on its free education places, which it called 'general extras' and this was not allowed under government guidance. He asked the Council to investigate the matter.

The nursery's response – February 2021

20. The Council made enquiries of the nursery. The nursery said:
- providers could set what times of day they would accept government funded hours;
 - it offered free entitlement places during the non-core hours. Any charges during those hours were voluntary; and
 - parents also had the option, if they chose to do so, to use their government funded hours towards the cost of nursery provision during core hours. It emphasised it was the parents' choice to make a booking in core hours. If they did so, then a mandatory charge (the 'general extras') applied and this was made clear in the price list.
21. Mr X complained to us and the Council said this complaint would not be considered under its complaints process as it was a complaint about the actions of a provider, not the Council.

The Council's response – July 2021

22. The Council added the following comments to its complaint response to us.
- The provision was consistent with the approach of other providers in the market, the Provider Agreement and the Guidance.
 - 'In effect, [the Nursery] limits the free place provision to the hours prior to 9.30 am and after 3.00 pm; whilst funding is accepted towards other hours if the parent so chooses, this is on the basis that the additional costs are accepted pursuant to the terms of the provider's contract with the parent.'

The Council's response – September 2021

23. We issued a draft decision and found fault with the Council. The Council made the following comments.
- Councils had to 'have regard' to the Guidance, but it was not binding.

- The Guidance said parents could be ‘expected to pay’ for certain items, but then contradicted itself as it said the charges should be voluntary. The Guidance did not say that parents could not pay for extras and there was a lack of clarity as to what providers could charge for.
- It was widely acknowledged that the funding offered by Central Government was inadequate to cover the services that nurseries provided. If we said the nursery’s charges were not in line with the Guidance, this could lead to local authorities being subjected to significant additional costs.
- The Council’s duty was to ensure that providers were aware that they could charge for certain items. The Council does not have a duty to tell providers that charges should be voluntary.
- In any event, the Council’s Provider Agreement made it clear that additional charges should be voluntary so the Council had made the nursery aware of this requirement.
- Even if the Council had provided further reminders to the nursery about the additional charges, it was not certain that the nursery would have changed its position. The Council could not compel the nursery to change its policy.

Conclusions

24. The Council’s position is that the nursery’s provision of FEEE places is in line with the Guidance and the Provider Agreement. The Council therefore did not have to take any action to address the nursery’s practice as the nursery was not doing anything wrong. We have investigated that statement further.
25. We agree that providers can choose to offer FEEE only at certain hours of the day. However, any FEEE hours offered must be free, or only subject to voluntary charges.
26. We agree that providers, can, if certain conditions are met, make additional charges on a FEEE place. Parents are expected to pay for extras such as meals, consumables or services such as trips. We note the nursery has a list of those additional charges in its price list.
27. But the Guidance and the Council’s Agreement both say that charges on a FEEE place should be voluntary and that, if a parent is not willing or able to pay, the provider should offer options within its policy to address this.
28. That was not the case here.
 - The parents could not choose whether to pay the extra charges during core hours.
 - The nursery admitted in its correspondence that the ‘extra charges’ were mandatory, not voluntary.
 - The nursery’s pricing policy did not offer any alternative options to parents whose children accessed FEEE during core hours.
29. We do not accept the argument that the charges were voluntary because the parents ‘chose’ to send their child to the nursery during core hours. If the hours a child attends are being claimed as FEEE hours, the charging for those hours must comply with the FEEE rules, and all charges in respect of them must be voluntary. Accordingly, if the nursery’s core hours were not FEEE hours, then parents could not use their FEEE to pay for those hours. If they were FEEE hours, then there could be no mandatory charges applied in respect of them.

-
30. The nursery was offering FEEE places during core hours, therefore it should adhere to the Guidance and Provider Agreement. It should offer the places for free and only make charges in line with the Guidance and Agreement.
31. The Council should also have ensured that the nursery's pricing policy was transparent. The pricing policy did not explain to parents what the 'extra charges' paid for. The nursery provided this information to the Council after Mr X complained.
32. The Council should have worked with the nursery to ensure its invoices were clear, transparent and itemised so that parents could see that they had received their child's free entitlement completely free of charge and understand fees paid for additional hours or services.
33. Once the Council was made aware of the issues by Mr X, it should have addressed them. The Council had a duty to:
- work with the nursery to ensure that parents had fair access to a free place, entirely free of charge;
 - ensure the nursery was aware that it could charge for extras but these charges should be voluntary;
 - ensure the nursery was transparent about additional charges;
 - ensure that the nursery did not charge parents a top-up fee; and
 - work with the nursery to ensure its invoices were clear, transparent and itemised.
34. The Council failed to exercise this duty and this was fault. The Council had powers it could have used to ensure that the Council offered FEEE places correctly and it failed to use those powers.

Injustice

35. Mr X has suffered injustice as he has been wrongly charged top-up fees. Mr X has shared his invoices from the nursery with us. We recommend that the 'general extras' fees that Mr X paid should be reimbursed.
36. The Council is at fault in that it wrongly excluded Mr X from its complaints process on the basis that the complaint concerned a private nursery. While the Council did provide information to Mr X and he was able to bring his complaint to us in good time, there was injustice to Mr X who did not have his complaint investigated properly.

Recommendations

37. We recommend that within one month of the date of this report the Council:
- reimburses Mr X for any "general extras" fees he has paid the nursery to date;
 - pays Mr X £200 to compensate for his time and trouble in bringing the complaint;
 - apologises to Mr X;
 - asks the nursery to change its pricing policy so that it is in line with the Guidance and the Provider Agreement. If the nursery refuses to change its pricing policy, the Council should consider its powers to terminate the Agreement and withdraw funding in whole or in part; and

-
- sends a letter to other FEEE providers in its area and inform them of our decision and reminds them of its expectations in terms of pricing.
38. The primary purpose of this report was to examine the wider public interest issues raised by this complaint. Having done that, our expectation is that the Council will focus from here forwards on addressing the underlying faults identified in its contracts for free early years entitlement, and its complaint handling. We do not anticipate conducting further investigations into the same issue, unless the Council fails to address the concerns we have identified, or unless we decide there is significant personal injustice in other complaints we see. Instead, we expect the Council to learn lessons from this complaint to improve services for all residents in future.
39. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)



Final report

40. We have completed our investigation into this complaint. There was fault by the Council which caused injustice to Mr X. The Council should take the action set out above to remedy that injustice.

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AUDIT AND GOVERNANCE COMMITTEE

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|----------------------------|---|
| Report subject | Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25 |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>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).</p> <p>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.</p> <p>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.</p> |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>1. Audit & Governance Committee note the annual review of Declarations of Interests, Gifts & Hospitality by Officers (2024/25).</p> <p>2. Note the opinion of the Head of Audit & Management Assurance that the Policy is fit for purpose and that there was a good level of awareness and compliance in 2024/25.</p> |
| Reason for recommendations | To provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers. |
| 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  nigel.stannard@bcpcouncil.gov.uk  01202 128784 |
| Wards | Council-wide |
| Classification | For Information |

Background

1. A new BCP Council Declaration of Interests, Gifts and Hospitality Policy (for officers) was introduced on 1 April 2020 and has thereafter been subject to annual evolutionary changes. Officers are responsible for maintaining their declarations in as near to real-time as is practical.
2. The purpose of the Policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made in the interests of BCP Council and the community it serves and are not influenced inappropriately by the interests of individual employees, their relatives or friends.
3. The Policy is a key building block where the Council and employees can demonstrably show awareness and compliance with the Nolan Principles, the seven principles of public life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
4. This report aims to provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers.

Annual Review of BCP Declaration of Interests, Gifts and Hospitality Policy

5. An annual review of the Council's Declaration of Interests, Gifts & Hospitality Policy took place in February 2025 and the revised policy was approved by Audit & Governance Committee (27 February 2025).
6. Some minor changes were made to the policy as part of the annual evolution as summarised below:
 - Conflict of Interest - Added directorship as a business role example that requires declaring if there is a business relationship with the Council.
 - Gifts - Added wording to clarify employees should not accept gifts from an organisation the Council is receiving services from.
 - Gifts - Clarified and reordered guidance on accepting incidental promotional items with a value of less than £25.
 - Hospitality – Clarified definition of hospitality for this policy.
 - Sponsorship/Donations/Prizes - Added guidance on the Council receiving and giving prizes.
 - Appendix C (Forms) - Added link on how to edit PDFs in MS Word on Form 1 and Form 2.
7. A comprehensive review of the system for recording and storing individual officer declarations is scheduled for 2025/26. This initiative aims to enhance accessibility and facilitate efficient corporate oversight and insight.

8. A corporate communication on the updated Declaration of Interests, Gifts and Hospitality Policy along with other Finance Policies was issued to all staff, including a separate message to senior managers in April 2025.
9. Policy awareness for new employees is ensured through the formal induction process and the completion of mandatory training (in particular the Fraud Awareness module).
10. The Head of Audit & Management Assurance has continued to deliver bespoke training and questions and answer sessions on the Policy across Council services during 2024/25.

Internal Audit work on Declaration of Interests, Gifts and Hospitality

11. An annual exercise was carried out by Internal Audit to ensure that 'Form 2's' had been completed by all Tier 4 and above officers (as required by the Declaration of Interests, Gifts & Hospitality Policy). After some chasing of forms, it was determined that 100% of senior officers had completed and returned the forms to the Monitoring Officer as required by the Policy. The chasing of forms related to staff that were either new to the organisation or new to a senior officer (Tier 4 and above) position.
12. National Fraud Initiative data matching results in December 2024 identified three employees who were found to be working for two public bodies at the same time. As a result of further investigation by Internal Audit and management, two officers were dismissed and one officer resigned. None of the employees had declared the other employment as required by the Council's Declaration of Interests, Gifts & Hospitality Policy. A presentation on 'polygamous working' (when someone holds multiple full-time jobs without their employer's knowledge) was given to the Corporate Management Board in June 2024 along with options to improve controls to prevent recurrence. Further details of these investigations, including the on-going activity to seek to recover salary, will be provided to the Audit & Governance Committee in October 2025 as part of the annual report on counter fraud work and whistleblowing referrals in 2024/25.
13. Internal Audit also review data matching results provided by the National Fraud Initiative on BCP Council employees (payroll data) matched to Companies House Directors (which also includes creditor payments made to those companies) and also to general creditor payment data. Although no significant conflicts were identified from reviewing the results provided in January 2025, to improve transparency 23 new declaration of interest forms were created (in 9 of these cases the interest was known by line managers but not formally documented).

Declaration of Interests, Gifts and Hospitality Policy Enforcement and Sanctions

14. Employees must comply with the requirements of the Policy and any failure to do so is a disciplinary matter. Disciplinary action may be taken regardless of whether the actions amount to a criminal offence.
15. There were three officers who failed to declare other employment during 2024/25 which led to disciplinary action. Further improvements to controls are planned to prevent recurrence.

Overall opinion for 2024/25

16. It is the opinion of the Head of Audit & Management Assurance that the Declarations of Interests, Gifts and Hospitality Policy is fit for purpose and there has generally been good compliance and awareness across the workforce. This opinion is given with the understanding that a small level of chasing was required by Internal Audit for some missing declarations regarding new senior officer appointments.

Options Appraisal

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

Summary of Financial Implications

18. There are no direct financial implications from this report.

Summary of Legal Implications

19. The Bribery Act 2010 makes it an offence for an employee to give advantage to someone in return for favours in relation to the Council's business.
20. Section 117 of the Local Government Act 1972 requires that employees notify the authority in writing of any direct or indirect financial interests which they have in any Council contracts, or proposed contracts, of which they become aware. Breach of Section 117 is a criminal offence subject to a fine.

Summary of Human Resource Implications

21. There are no direct environmental implications from this report.

Summary of Environmental Impact

22. There are no direct environmental 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. There are no direct equality implications from this report.

Summary of Risk Assessment

25. There are no direct risk management implications from this report.

Background Papers

None

Appendices

None

AUDIT AND GOVERNANCE COMMITTEE

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| Report subject | Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2024/25 |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>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.</p> <p>BCP Council has not made use of powers under RIPA or IPA during the 2024/25 financial year.</p> <p>The BCP Council statutory return for the 2024 calendar year has been sent to the Investigatory Powers Commissioner's Office (IPCO).</p> <p>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.</p> |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee note that the Council has not made use of powers under the Regulation of Investigatory Powers Act or the Investigatory Powers Act during the 2024/25 financial year.</p> |
| Reason for recommendations | To ensure transparency in respect of the Council's use of its powers under the Regulation of Investigatory Powers Act and the Investigatory Powers Act. |
| 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, Finance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p> |

| | |
|----------------|---|
| | Janie Berry Monitoring Officer, Law & Governance ☎01202 817926 ✉ Janie.berry@bcpcouncil.gov.uk |
| Wards | Council-wide |
| Classification | For Information |

Background

1. The Regulation of Investigatory Powers Act (RIPA) was enacted in 2000 to regulate the manner in which certain public bodies may conduct surveillance and access a person's electronic communications and to ensure that the relevant investigatory powers are used in accordance with human rights. The provisions of the Act include:
 - the interception of communications;
 - the acquisition of communications data (e.g. billing data);
 - intrusive surveillance (on residential premises/in private vehicles);
 - covert surveillance in the course of specific operations;
 - the use of covert human intelligence sources (agents, informants, undercover officers); and
 - access to encrypted data.
2. The Investigatory Powers Act 2016 (IPA) is the main legislation governing the access to or acquisition of communications data. It does not fully replace all pre-existing RIPA requirements but does introduce some important and significant variations to authorisation and regulatory oversight in particular.
3. There are various codes of practice, updated periodically, which broadly cover the specific bullet points above. These help public authorities assess and understand whether, and in what circumstances, it is appropriate to use covert techniques. The codes also provide guidance on what procedures need to be followed in each case and identifies **as a matter of best practice that elected members of an authority should review the authority's use of RIPA and IPA at least once a year**. The purpose of this annual report is to set out the level and nature of BCP Council's use of covert surveillance under RIPA and acquisition of communications data under IPA.

BCP RIPA and IPA Policy Annual Evolution

4. An annual review of the Council's Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy took place in early 2025 and the revised policy was approved by Audit & Governance Committee (27 February 2025).
5. Some minor changes were made to the policy as part of the annual evolution as summarised below:
 - Purpose Statement - Added reference and link to Investigatory Powers (Amendment) Act 2024. These minor changes do not impact on Council arrangements as we use the National Anti-Fraud Network to carry out the acquisition of communications data (and is unlikely to be used).
 - Appendix A - Added brief guidance on use of technology (including artificial intelligence) with regard to surveillance.

6. A corporate communication on the updated RIPA and IPA Policy along with other Finance Policies was issued to all staff, including a separate message to senior managers in April 2025.

Use of RIPA/IPA by the Council

7. The BCP Council RIPA and IPA Policy states that overall responsibility for the use of RIPA & IPA lies with the Senior Responsible Officer (SRO) who is the Director of Law & Governance (& Monitoring Officer). The deputy SRO is the Chief Executive.
8. The Head of Public Protection, Director of Housing & Public Protection (was Housing & Communities), Chief Executive and Corporate Directors are the Council's Authorising Officers in respect of both RIPA and IPA applications which are then subject to judicial approval in the local Magistrates' Court. For internally authorised IPA applications, approval for the acquisition of communications data must be granted by the Office for Communications Data Authorisations (OCDA) which National Anti-Fraud Network (NAFN) arrange on behalf of the Council. The Head of Audit & Management Assurance is the RIPA Administrator and is responsible for maintaining a central register of authorisations applied for.
9. The use of covert surveillance techniques can assist councils in delivering objectives in areas such as preventing or detecting crime, anti-social behaviour and in licensing. As a result of complying with RIPA, the Council only invokes these powers as a last resort where overt surveillance is not possible.
10. During the 2024/25 financial year, **the Council has not made use of powers under RIPA or IPA**. The Council's RIPA/IPA Authorising Officers have not approved the use of covert surveillance techniques or requests to access communications data in any cases.
11. Dorset Police will utilise the Council's CCTV system for covert surveillance where the court authorises a Directed Surveillance Authority. This sits within Dorset Police delegated powers and is authorised by an officer at Superintendent rank or above. Where the police intend to utilise Council owned CCTV for covert purposes, formal notification is given to the Head of Public Protection. Paper copies of this notification are securely held by the CCTV team. Dorset Police are legally responsible for the data and the rationale at court.

Investigatory Powers Commissioner's Office - Oversight

12. All entities able to use RIPA/IPA are required to complete a statutory return to the IPCO for the preceding calendar year. The Council completed and sent off this return within the required timeframe (in January 2025).
13. During July 2024, BCP Council was subject to its three-yearly inspection by the IPCO. The inspection was to assess compliance with the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016.
14. The Council provided a written response to a set of questions from the IPCO which resulted in a letter from them (see Appendix A) stating that they were satisfied with ongoing compliance with RIPA and the IPA and ensuring the risks of unregulated surveillance, particularly online is minimised. The next inspection is due in 2027.

Options Appraisal

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

Summary of financial implications

16. There are no direct financial implications from this report.

Summary of legal implications

17. The Council must follow Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) requirements should it wish to enact covert surveillance.

Summary of human resources implications

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

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 equalities implications from this report.

Summary of risk assessment

22. There are no direct risk implications from this report.

Background papers

None

Appendices

Appendix A - IPCO Inspection Outcome Letter

IPCO

Authorisation & Oversight

PO Box 29105, London
SW1V 1ZU

Mr Graham Farrant
Chief Executive
Bournemouth, Christchurch and Poole Council
BCP Council Civic Centre
Bourne Avenue
Bournemouth
BH2 6DY

29 July 2024

Dear Mr Farrant,

Thank you to Nigel Stannard for providing IPCO with a response on behalf of Bournemouth, Christchurch and Poole Council to the matters identified at points 1 to 10 of my Inspector's letter dated 24 June 2024.

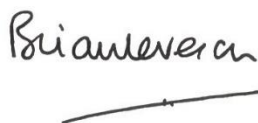
I note your council's aspiration to provide a re-refresh of the training provided to key officers in June 2021 during 2024/25. Ongoing awareness and training are an important part of ensuring compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) and in ensuring the risks or unregulated surveillance, particularly online, is minimised.

I am satisfied that your reply provides assurance that ongoing compliance with RIPA and the Investigatory Powers Act 2016 will be maintained. As such, your Council will not require further inspection this year.

I would ask that you ensure that the key compliance issues continue to receive the necessary internal governance and oversight through yourself and your Senior Responsible Officer: policy refreshes; annual updates to your Elected Members; ongoing training and awareness raising; internal compliance monitoring by lead managers within their business areas; and the retention, review and destruction (RRD) of any product obtained through the use of covert powers (Records and Product Management in accordance with the Safeguards Chapters of the relevant Codes of Practice).

Your Council will be due its next inspection in 2027, but please do not hesitate to contact my Office if IPCO can be of assistance in the intervening period.

Yours sincerely,



The Rt. Hon. Sir Brian Leveson
The Investigatory Powers Commissioner

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AUDIT AND GOVERNANCE COMMITTEE



| Report subject | Annual Breaches of Financial Regulations and Procurement Decision Records Report 2024/25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------|---|---------------|-------------|---------|------------|---------|--|---------|--|---------|--|---------|--|--|----------|---------------|----------|---------|----------|---------|---------------|----|----|---|----|----|----|-----------|-------------|-------|-------------|--------|------------|-------|
| Meeting date | 24 July 2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Status | Public Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive summary | <p>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.</p> <p>Circumstances described in Financial Regulations paragraph 5 are:</p> <ul style="list-style-type: none"> 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 <p>An analysis of breaches and PDRs highlights the following:</p> <table border="1"> <thead> <tr> <th></th><th colspan="2">2024/25</th><th colspan="2">2023/24</th><th colspan="2">2022/23</th></tr> <tr> <th></th><th>Breaches</th><th>PDRs (para 5)</th><th>Breaches</th><th>Waivers</th><th>Breaches</th><th>Waivers</th></tr> </thead> <tbody> <tr> <td>Total (count)</td><td>12</td><td>28</td><td>7</td><td>35</td><td>11</td><td>47</td></tr> <tr> <td>Total (£)</td><td>£29,162,090</td><td>£4.2m</td><td>£15,417,745</td><td>£0.7m*</td><td>£1,172,738</td><td>£3.2m</td></tr> </tbody> </table> <p>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.</p> <p>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.</p> <p>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.</p> | | | | | | | 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 |
| | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | 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). |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>The Audit & Governance Committee note the breaches of Financial Regulations and relevant Procurement Decision Records that occurred during 2024/25.</p> |
| Reason for recommendations | To comply with Financial Regulations which requires that all breaches of Financial Regulations and relevant Procurement Decision Records are considered annually by the Audit & Governance Committee. |
| 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 Information |

Background

1. Financial Regulations (the Regulations) set out the procedures and standards for financial management and control, and specifically:
 - the purpose of each section in the relevant Part of the Regulations (why it is important);
 - the standards and controls that must be observed (how the Regulations serve to facilitate the good governance and the proper administration of the Councils financial affairs);
 - the specific roles and responsibilities of Councillors, the Chief Executive, the Chief Financial Officer (CFO), the Monitoring Officer and other named Officers in relation to doing so (the accountability framework); and
 - detailed procedure notes and relevant financial thresholds where these apply (what must be done and in what way).
2. The Regulations require that all breaches of Financial Regulations are reported to the CFO or their delegated representative along with details of any management action to address the issues arising. A combination of the Internal Audit and Procurement & Contract Management Teams maintained a record of all breaches to enable full, transparent and accurate reporting to Audit & Governance Committee (and the Procurement and Contracts Board).

3. For contracts over £5,000 the Regulations state (at Part G, paragraph 5) that the manager must inform the Procurement & Contract Management Team who will ensure that the relevant Procurement Decision Record (PDR) is completed with managers and authorised at the relevant stages before proceeding with any purchase/contract. The Regulations require the CFO to produce an annual report on PDRs that meet one of four circumstances described in Part G paragraph 5 to the Audit & Governance Committee.

Breaches of Financial Regulations

4. During the 2024/25 financial year twelve breaches of Financial Regulations have been identified, totalling £29,162,090 (compared to seven breaches, totalling £15,417,745 in 2023/24). Details of the twelve breaches are outlined below:

➤ Br1, Children's Services, Environment, Law & Governance, Operations, Transport & Engineering, Off-Contract Agency Workers, approximately £24m

The Council has spent circa £24m in 'off contract' agency worker arrangements since 2019/20. The Procurement & Contract Management team advised that only a single PDR relating to a specific agency worker had been completed. Therefore, a significant amount of expenditure and agency appointments had not been subject to the required completion of PDRs.

Commissioning managers across the Council were not aware that a PDR was required for agency workers procured outside of the corporate contract.

This breach was identified during the 2023/24 Children's Service - Agency Staff audit and it was recommended that corporate policy and guidance regarding agency worker engagements was updated to include the need to follow the requirements set out in Part G Section 6 (use of corporate contracts) of the BCP Financial Regulations along with seven other audit recommendations.

Seven of the eight audit report recommendations have been implemented with the remaining action to establish a process to determine and approve pay rates for agency staff planned to be addressed by October 2025.

➤ Br2, Housing & Communities, Housing Property Security Services, £2,249,901

The Directorate spent a cumulative amount of £2,249,901 with an existing supplier for housing property security services after the contract had expired. A PDR was not produced, as required, after the contract end date to either re-tender or extend the current contract.

This breach was identified during the 2023/24 Procurement audit. Previously negotiated contracts had expired but the supplier continued to be used to meet service demand.

The Head of Public Protection is leading an in-sourcing initiative focussed on centralised enforcement / public protection. A report was presented to CMB in July 2025 with a proposed stage 1 implementation by the end of March 2026. This insourcing initiative places procurement of a corporate framework on hold.

➤ Br3, Housing & Communities / Customer, Arts & Property, Water Hygiene Services, approximately £51,000

Orders were placed in the Poole Neighbourhood for water hygiene services. These comprised of low value transactions but in aggregate exceeded the £5k threshold that requires a PDR, which had not been completed. In addition, this contract was not included on the Councils Contracts Register as required under Financial Regulations.

There was a lack of officer awareness of the need to complete PDRs/update the Contracts Register.

This breach was found as part of the 2023/24/25 Facilities Management – Health & Safety Compliance (Housing Assets) audit. Following the creation of BCP Homes, the in-house team are now undertaking water quality servicing across the whole of BCP Homes.

➤ Br4, Housing & Communities / Customer, Arts & Property, Fire Risk Assessments, approximately £31,000

Orders were placed in the Bournemouth Neighbourhood for fire risk assessments. These comprised of low value transactions but in aggregate exceeded the £5k threshold that requires a PDR, which had not been completed. In addition, this contract was not included on the Councils Contracts Register as required under Financial Regulations.

There was a lack of officer awareness of the need to complete PDRs/update the Contracts Register.

This breach was found as part of the 2023/24/25 Facilities Management – Health & Safety Compliance (Housing Assets) audit. Management are currently working with the Procurement team to produce compliant solution.

➤ Br5, Customer, Arts & Property, Water Hygiene, approximately £1.9m

Approximately £1.9m was spent on water hygiene services between April 2023 and July 2024 via a Dorset Council framework agreement. The framework names BCP Council as a participating authority and whilst the overall framework allows for up to £400m expenditure, the specific lot awarded to the single supplier used totalled only £1.96m. Therefore, the aggregate BCP Council and Dorset Council spend is likely to have exceeded the available headroom. The Service did not consult with the Procurement team prior to instructing any orders under a framework to check available headroom.

There was a lack of officer awareness of the need to consult with the Procurement team on the use of frameworks.

This breach was identified as part of the 2023/24/25 Facilities Management – Health & Safety Compliance (Housing Assets) audit. Management have agreed to review contractual arrangements for all major cumulative spend with third party suppliers for key compliance areas to ensure formal contracts and PDRs are in place, in accordance with Financial Regulations. In addition, Procurement will be consulted with for future arrangements including use of any frameworks.

➤ Br6, Customer, Arts & Property, Electrical Safety, approximately £373,000

Approximately £185k has been spent on electrical safety services with one supplier and a further £188k spend with another supplier during the period of April 2023 -

July 2024. This expenditure consists of several low value transactions, however multiple transactions exceeded the £5k threshold above which a PDR is required. Neither of these arrangements appear on the corporate contracts register.

There was a lack of officer awareness of the need to complete PDRs/update the Contracts Register.

This breach was identified as part of the 2023/24/25 Facilities Management Health & Safety Compliance (Corporate Assets) Audit. Management agreed to review contractual arrangements for all major cumulative spend with third party suppliers for key compliance areas to ensure formal contracts and PDRs are in place, in accordance with Financial Regulations. In addition, the Procurement team will be consulted with for future arrangements, and the corporate contracts register will be updated.

➤ Br7, Customer Arts & Property, Cliff Lifts, approximately £409,000

Approximately £216k has been spent on cliff lifts with one supplier and a further £193k spend with another supplier during the period of April 2023 - July 2024. This expenditure consisted of several low value transactions, however multiple transactions exceeded the £5k threshold above which a PDR is required. Five transactions were also over £30k requiring formal engagement with the Procurement team. Neither of these arrangements appear on the corporate Contracts Register.

There was a lack of officer awareness of the need to complete PDRs/update the Contracts Register.

This breach was identified during the 2023/24/25 Facilities Management Health & Safety Compliance (Corporate Assets) Audit. Management have agreed to review contractual arrangements for all major cumulative spend with third party suppliers for key compliance areas to ensure formal contracts and PDRs are in place, in accordance with Financial Regulations. Procurement will be consulted with for future arrangements and the Corporate Contracts Register will be updated.

➤ Br8, Customer Arts & Property, Russell Cotes Museum, £30,000

A curatorial research grant of £30k for Russell Cotes Museum was obtained by officers before getting Chief Finance Officer (CFO) approval, as required by Financial Regulations.

There was a lack of officer awareness of the need to obtain prior CFO approval for external funding.

Management explained that due to the limited lead in time for submitting a bid for funding officers omitted to secure CFO approval beforehand. Management advised that officers would be reminded of the need to obtain the prior approval of CFO for grant applications.

➤ Br9, Customer Arts & Property, Facilities Management – BCP Homes, £47,303

An officer in the Facilities Management Team did not raise an official BCP order for property render work totalling approximately £47k. A PDR was also not completed as required and therefore not entered on contracts register.

There was a lack of officer awareness of the need to raise official BCP orders and to complete a PDR/update the Contracts Register.

The Head of Facilities Management advised he will raise the issue at the next team meeting and will also liaise with the Procurement Team on future tender requirements across BCP Homes and Facilities Management.

➤ Br10, Customer Arts & Property, Russell Cotes Museum, £27,130

An art fund grant of £27,130 for Russell Cotes Museum was obtained by officers before getting Chief Finance Officer (CFO) approval, as required by Financial Regulations.

There was a lack of officer awareness of the need to obtain prior CFO approval for external funding.

Management explained that due to the limited lead-in time for submitting a bid for funding, officers omitted to secure CFO approval beforehand. Management advised that officers would be reminded of the need to obtain the prior approval of CFO for grant applications.

➤ Br11, Planning and Transport, Off-Contract Agency Worker, £21,756

The corporate contract for appointing temporary agency workers (Comensura) was not used for a temporary officer covering a 3-month period of approximately £21,756.

There was an officer misunderstanding regarding the need to use the Council's temporary agency worker corporate contract.

After liaison with Procurement and HR Teams, the service is now compliantly procuring temporary agency workers via Comensura. HR have also reminded officers of the correct process for engaging temporary agency workers.

➤ Br12, Customer Arts & Property, Poole Museum, £22,000

Despite liaison with Procurement, an officer did not raise an official BCP order for branding consultant work totalling approximately £22k. A PDR was also not completed as required and therefore not entered on contracts register.

There was a lack of officer awareness of the need to raise official BCP orders and to complete a PDR/update the Contracts Register.

A PDR was completed retrospectively and officers reminded of the need to complete PDRs in a timely manner for approval and raise official BCP orders.

5. Whilst no breaches of Financial Regulations is the preferable position, the relatively low number of breaches in overall context 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 Financial Regulations.
6. The common theme within the twelve breaches shown above is that the commissioning officer was unaware of the requirements of the Financial Regulations. The most common corrective actions have included targeted or bespoke training to individuals, statements and expectations made at team meetings for all colleagues to hear and formal written instructions being provided to individuals.

7. Certain line managers have also been reminded that they are responsible for equipping officers with adequate training or instruction to undertake roles or activity, in this case commissioning roles and activity, competently and in line with Council requirements and for adequate performance management.
8. While it is not possible to say that there have been no further breaches, at the current time none have been brought to the attention of, or have been identified by, the Head of Audit & Management Assurance or the Head of Procurement & Contract Management for the reporting period considered here. Should previous period 'breaches' be identified, they will be reported to Audit & Governance Committee during the next available reporting period.

Procurement Decision Records (PDRs)

9. There were 212 PDRs approved during 2024/25 totalling approximately £200m.
10. PDRs are required at set 'gateways' to document the approach and decisions taken in the stages of the procurement process for contracts exceeding £5,000. There is a more complex formal process for contracts exceeding £30,000.
11. PDRs are completed by officers responsible for the procurement process and authorised by the senior responsible officer, normally the service director and Head of Procurement & Contract Management. A copy of the PDR is sent to the Procurement & Contract Management Team to arrange for the details therein to be uploaded to the Council's Contract Register.
12. From the 2024/25 Financial Regulations, as approved by this Committee, the concept of waiving (a waiver of) financial regulations was removed. Instead, the four categories that were known as waivers, shown in the table below, are now incorporated into the PDR. Fundamentally this new process is more efficient and avoids duplication.

| | | |
|-----------------------------|------|--|
| PDRs of all contract values | 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 |

13. Should any of the four categories feature in any of the 212 PDRs, it remains a requirement that they are reported annually to Audit & Governance Committee on the basis that they are circumstances where the expected and normal procurement related activity, requirement or expectation could not be followed for some good reason.
14. In 2024/25 a total of 28 (of 212) PDRs were included in one of the four categories. The contract value of these relevant PDRs totalled £4.2m (this is a rounded figure).
15. A summary by classification type of PDR is set out in the table below, with comparison to the last two financial years. More detail of each relevant PDR for 2024/25 is set out in Appendix 1.

| PDR Circumstance (Part G Para 5) | Total PDRs 2024/25 | Total Waivers 2023/24 | Total Waivers 2022/23 |
|---|-------------------------------|----------------------------------|----------------------------------|
| i. Accelerated procurement where the Council would suffer significant negative impact if the full operational or strategic procurement approach is applied. | 0 | 0 | 19 |
| ii. Unable to invite or obtain 3 bids or competition absent for technical reasons | 23 | 21 | 28 |
| iii. Payments in advance for goods, services or works | 5 | 12 | 4 |
| iv. Propose not to use an available Corporate Contract | 0 | 2 | 0 |
| Total | 28 | 35 | 47 |
| Total Value | £4.2m | £0.7m | £3.2m |

16. If a member of this Committee has a question pertaining to any specific relevant PDR in the Appendix 1, then it may be necessary to answer the question outside of the committee meeting as the Head of Audit & Management Assurance may not have detailed explanations to hand for all 28 records.

Options Appraisal

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

Summary of financial implications

18. An effective and transparent breaches/ PDR governance process maximises the chances of achieving value for money when procuring goods, services or works.

Summary of legal implications

19. An effective and transparent breaches/ PDR governance process maximises the chances of complying with Public Contract Regulations 2015/Procurement Act 2023.

Summary of human resources implications

20. There are no direct human resource implications arising from this report.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

24. Failure to have appropriate financial regulations and procurement rules which ensures accountable and transparent processes are in place puts the Council at risk of challenge.

Background papers

None

Appendices

Appendix 1 – Relevant Procurement Decisions Records 2024/25

Appendix 1 – Relevant (Financial Regulations Part G, para 5) Procurement Decision Records 2024/25

| Count | PDR Ref. | Project Title | Procurement Circumstance | Value |
|--|----------|--|---|-----------------|
| Adult Social Care | | | | |
| 1 | 691 | Shared Lives support | Unable to invite or obtain 3 bids or competition absent for technical reasons | £43,828 |
| 2 | 693 | Activity sessions – Day Centre clients | Unable to invite or obtain 3 bids or competition absent for technical reasons | £50,000 |
| 3 | 1006 | Trusted Reviewers Programme | Unable to invite or obtain 3 bids or competition absent for technical reasons | £210,000 |
| 4 | 1015 | Daytime Activities for Day Centre clients | Unable to invite or obtain 3 bids or competition absent for technical reasons | £50,000 |
| Total | | | | £353,828 |
| Children's Commissioning | | | | |
| 5 | 968 | Wraparound Programme Communications | Unable to invite or obtain 3 bids or competition absent for technical reasons | £6,000 |
| 6 | 1009 | Positive Behaviour Support Project Evaluation | Unable to invite or obtain 3 bids or competition absent for technical reasons | £26,000 |
| Total | | | | £32,000 |
| Commercial Operations | | | | |
| 7 | 984 | Redhill Funfair 2025 | Unable to invite or obtain 3 bids or competition absent for technical reasons | £8,190 |
| 8 | 1008 | Sand Drain Investigations - East Overcliff Drive | Unable to invite or obtain 3 bids or competition absent for technical reasons | £9,000 |
| Total | | | | £17,190 |
| Corporate Parenting & Performance | | | | |
| 9 | 983 | Reducing Parental Conflict Programme | Unable to invite or obtain 3 bids or competition absent for technical reasons | £14,736 |
| Total | | | | £14,736 |

Appendix 1 – Relevant (Financial Regulations Part G, para 5) Procurement Decision Records 2024/25

| Count | PDR Ref. | Project Title | Procurement Circumstance | Value |
|--------------------------------------|----------|--|--|-------------------|
| Customer, Arts & Property | | | | |
| 10 | 969 | Support renewal for Netloan software for BCP libraries | Unable to invite or obtain 3 bids or competition absent for technical reasons | £24,919 |
| Total | | | | £24,919 |
| Finance | | | | |
| 11 | 979 | Online Forms Software Licence Agreement | Any value – Payments in advance for goods, services or works | £18,682 |
| Total | | | | £18,682 |
| Housing & Communities | | | | |
| 12 | 800 | Provision of BCP Rough Sleeper Team and Associated Services - Winter Pressures Funding | Unable to invite or obtain 3 bids or competition absent for technical reasons | £38,916 |
| 13 | 890 | Domestic Homicide Review | Unable to invite or obtain 3 bids or competition absent for technical reasons | £9,000 |
| 14 | 965 | Advertising for campaign | Unable to invite or obtain 3 bids or competition absent for technical reasons | £30,000 |
| 15 | 957 | Community Guardianship scheme | Unable to invite or obtain 3 bids or competition absent for technical reasons | £9,000 |
| 16 | 1033 | Insulation Grants and Boiler Support - Household Support Fund Round 7 | Unable to invite or obtain 3 bids or competition absent for technical reasons | £200,000 |
| 17 | 1037 | Energy Support - Household Support Fund Round 7 | Unable to invite or obtain 3 bids or competition absent for technical reasons | £215,000 |
| 18 | 1028 | Food Vouchers - Household Support Fund Round 7 | Any value – Payments in advance for goods, services or works (also in 'Competition absent' category) | £2,350,000 |
| 19 | 1036 | Food and Energy Support Fund - Small Grant Scheme - Household Support Fund Round 7 | Any value – Payments in advance for goods, services or works (also in 'Competition absent' category) | £481,500 |
| Total | | | | £3,333,416 |

Appendix 1 – Relevant (Financial Regulations Part G, para 5) Procurement Decision Records 2024/25

| Count | PDR Ref. | Project Title | Procurement Circumstance | Value |
|-----------------------------|----------|--|--|-----------------|
| IT & Programmes | | | | |
| 20 | 916 | Weighsoft 5 API Integration | Any value – Payments in advance for goods, services or works (also in 'Competition absent' category) | £10,140 |
| Total | | | | £10,140 |
| Operations | | | | |
| 21 | 1041 | Manned Guarding at Arcade | Unable to invite or obtain 3 bids or competition absent for technical reasons | £25,000 |
| Total | | | | £25,000 |
| Operations Strategy | | | | |
| 209 22 | 740 | Digital Skills Hub - Business Support Services | Unable to invite or obtain 3 bids or competition absent for technical reasons | £30,800 |
| 23 | 742 | Digital Skills Hub - Concierge Services | Unable to invite or obtain 3 bids or competition absent for technical reasons | £52,800 |
| 24 | 741 | Digital Skills Hub - Communications Services | Unable to invite or obtain 3 bids or competition absent for technical reasons | £39,600 |
| 25 | 912 | Digital Skills Hub - BCHA | Unable to invite or obtain 3 bids or competition absent for technical reasons | £25,000 |
| 26 | 913 | Digital Skills Hub - Researcher in Residence | Unable to invite or obtain 3 bids or competition absent for technical reasons | £15,000 |
| Total | | | | £163,200 |
| People & Culture | | | | |
| 27 | 948 | Eye Care Services | Unable to invite or obtain 3 bids or competition absent for technical reasons | £30,000 |
| Total | | | | £30,000 |

Appendix 1 – Relevant (Financial Regulations Part G, para 5) Procurement Decision Records 2024/25

| Count | PDR Ref. | Project Title | Procurement Circumstance | Value |
|----------------------|----------|---|--|------------|
| Planning & Transport | | | | |
| 28 | 1019 | Road Safety and Traffic Management Software Licensing and Support | Any value – Payments in advance for goods, services or works (also in 'Competition absent' category) | £183,195 |
| Total | | | | £183,195 |
| Grand Total | | | | £4,206,306 |



| | |
|----------------------------|--|
| Report subject | Chief Internal Auditor's Annual Opinion Report 2024/25 |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>It is the opinion of the Chief Internal Auditor that during the 2024/25 financial year:</p> <ul style="list-style-type: none"> • 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". |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and Opinion on the overall adequacy of the internal control environment for BCP Council.</p> |
| Reason for recommendations | The Chief Internal Auditor's Annual Report and Opinion for BCP Council provides assurance on the effectiveness of the Council's control environment as required by the Public Sector Internal Audit Standards. |
| 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 Information |

Background

1. The Chief Internal Auditor's Annual Report and Opinion for BCP Council was produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS), which requires the Head of Audit & Management Assurance, in his role as Chief Internal Auditor, to report annually on:
 - the adequacy and effectiveness of the internal control environment; and on
 - conformance by the Internal Audit Section to the PSIAS.
2. The Audit & Governance Committee must consider the Council's Chief Internal Auditor's Annual Report and Opinion before its consideration of the Council's Annual Governance Statement.
3. It should be noted that the title 'Chief Internal Auditor' is interchangeable with the terms 'Head of Internal Audit', 'Chief Audit Executive' and 'Head of Audit & Management Assurance' used in this report or in other relevant publications, guidance or standards.

The Chief Internal Auditor's Consideration & Opinion Summary

4. The Chief Internal Auditor's Annual Report & Opinion 2024/25 for BCP Council is provided at Appendix A.
5. In summary it is the opinion of the Chief Internal Auditor for BCP Council that:
 - 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 at the Council 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".

Options Appraisal

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

Summary of financial implications

7. The total actual net cost, for the 2024/25 financial year, of the Internal Audit team was £786,876; compared against the budget of £776,000, this resulted in a net overspend of £10,876 which was due to a required budgeted vacancy factor savings (5%) only being partially realised as the team was at full establishment for most of the financial year. The slight overspend was managed from within wider staffing budget underspending in teams managed by the Head of Audit & Management Assurance. The costs above were inclusive of the Head of Audit & Management Assurance who managed several other teams and an Auditor who specialises in corporate fraud investigation, detection and prevention.

Summary of legal implications

8. The Public Sector Internal Audit Standards (2017), which encompass the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), require that the Council's Chief Audit Executive provides an annual report and opinion on the adequacy and effectiveness of the internal control environment to those charged with governance of the organisation.

Summary of human resources implications

9. There were 14.35 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2024/25 which is in line with the budget due to no vacancies arising during the year. This resource is inclusive of the Head of Audit & Management Assurance who manages several other teams, an Auditor who specialises in corporate fraud prevention, detection and investigation and three audit apprentices.
10. It is the opinion of the Chief Internal Auditor that these resources were sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances outlined in this report.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Chief Internal Auditor's Annual Report & Opinion 2024/25
Including Annexe 1, 2 and 3

Chief Internal Auditor's Annual Report & Opinion 2024/25

Introduction

- 1 This annual report is produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS). The PSIAS encompasses the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows: Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing. The PSIAS requires the Chief Internal Auditor to report annually on the adequacy and effectiveness of the internal control environment; this report covers the period 1 April 2024 to 31 March 2025.
- 2 The scope of the Council's internal control environment that the Chief Internal Auditor is required to provide an opinion on is set out in the Council's Assurance Framework. The opinion given by the Chief Internal Auditor assists the Audit & Governance Committee in forming their view on the Annual Governance Statement.

Chief Internal Auditor's Audit Opinion 2024/25

- 3 The establishment of adequate and effective control systems is the responsibility of management. Internal Audit reviews were conducted using risk-based scoping, planning and sampling methodology; consequently, not every Council activity, transaction or project has been reviewed in-year by Internal Audit. It therefore follows that the Chief Internal Auditor is unable to provide absolute assurance that the internal control environment is operating adequately and effectively.
- 4 Based on the work undertaken by Internal Audit during 2024/25, it is the opinion of the Chief Internal Auditor that:
 - a 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;
 - b the systems and internal control arrangements were effective and agreed policies and regulations were generally complied with;
 - c adequate arrangements were in place to deter and detect fraud;
 - d there was an appropriate and effective risk management framework;
 - e managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
 - f the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
 - g 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".
- 5 This opinion is a professional judgement based on the results of the Internal Audit work undertaken and reported upon during 2024/25. Whilst some internal control weaknesses and non-compliance with policies were identified during Internal Audit reviews, the context and overall materiality relative to the Council's wider control environment was a vital consideration in the overall judgement. Corrective actions have been agreed with management and this willingness to respond to and correct issues raised during audit reviews is a further key aspect in the Chief Internal Auditor giving an 'unqualified opinion'.

Basis of the Chief Internal Auditor's Opinion – A summary of work undertaken in 2024/25

Regularity Audit Work

- 6 The work of Internal Audit is designed to provide an annual opinion on the adequacy and effectiveness of the internal control environment. The work carried out in 2024/25 to provide the annual opinion was agreed by the Audit & Governance Committee.
- 7 The work has taken into account the strategies, objectives and risks of the Council as part of the audit planning process.
- 8 All Service directorates had some form of audit coverage during 2024/25. 62 out of 68 audits have been fully completed (91%). More time than planned was spent on:
- Reviewing National Fraud Initiative (NFI) data matches including new datasets such as potential dual employment.
 - Preparing for the new Global Internal Audit Standards including revising audit processes.
 - Setting up and populating the new audit planning module of the audit management system.
 - Servicing Audit & Governance committee meetings, including report preparation and responding to member queries.
 - Qualification training by the new audit apprentices.
 - Managing the recruitment of audit manager vacancy

While the overall opinion will always be a matter of professional judgement for the Chief Internal Auditor, the amount and type of work and risk-based approach carried out on the audit plan was sufficient for this overall Chief Internal Auditor's opinion to be robustly evidenced. A list of all audits completed during 2024/25 is attached at Annexe 1.

- 9 Each audit report provides an overall level of assurance on the adequacy of the management arrangements to manage the identified risks within the area reviewed. The assurance level definitions are as follows:

| Assurance Level Definitions | |
|-----------------------------|---|
| Substantial | There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied. |
| Reasonable | Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk. |
| Partial | There are weaknesses in the control framework which are putting service objectives at risk. |
| Minimal | The control framework is generally poor as such service objectives are at significant risk. |

- 10 The list of 62 audits carried out during 2024/25 is shown in Annexe 1 which includes the assurance level given for each review.

In summary, 1 'Substantial', 45 'Reasonable' and 10 'Partial' assurance level opinions were given during the year. Additionally, 1 consultancy and 5 follow up reviews were also carried out during 2024/25. There were no Minimal assurance opinions given for any of the audits. Whilst the 'Partial' opinion audits are reported during the quarterly reporting to Audit & Governance Committee, it is good practice to summarise and state these again in this annual report, these were:

| | Audit | High Priority recommendations to improve controls covering: |
|---|--|---|
| 1 | Planning & Transportation – Developer Contributions (Expenditure) Review | <p>Legacy arrangements cause confusion and inefficiency, however, there is uncertainty around MasterGov implementation arrangements including data processing, integration with financial systems and timescales.</p> <p>Cannot consistently demonstrate compliance with s.106 agreement records due to gaps in record keeping.</p> <p>Arrangements for information sharing on s.106 timescales, conditions and expenditure between Planning, Accountancy and Service Directorates are inadequate.</p> |
| 2 | Children's Services – Personal Educational Plans | <p>Personal Education Plans (PEPs) are not always being prepared within the required timeframe after entering care.</p> <p>A PEP that remains red-rated following a quality assurance review will remain in place until the following PEP. In some cases, social workers had not completed their required sections of the PEP per the statutory guidance.</p> |
| 3 | IT & Programmes – Artificial Intelligence (AI) | <p>Identified that there is currently no defined SRO in place and collective responsibility has not been established.</p> <p>There is a lack of adequate oversight and governance arrangements around the use of AI tools.</p> <p>There is no control of use of non-approved AI tools.</p> |
| 4 | Schools – Christchurch Learning Centre | <p>The overall control framework at the school was given a reasonable assurance opinion.</p> <p>However, due to the size of the deficit (end of year deficit of £452k projected at the time of the audit) and the risk this poses to the school, a partial audit opinion was given for this aspect of the school's audit, as the deficit position is unsustainable and may impact the effective operation of the school if it is not addressed. No formal recommendations were made to the school as the school is working with BCP Council Schools' Finance Team and Children's Services to ensure that appropriate actions are taken to address this issue.</p> |
| 5 | Customer & Property – Facilities Management Health & Safety Compliance (Corporate Assets) 2023/24/25 | <p>Compliance inspections are not routinely reported to or reviewed by senior management with unclear escalation arrangements for outstanding or delayed compliance issues.</p> <p>Technology Forge asset records lack clarity on ownership and compliance responsibilities with compliance data inconsistently recorded and multiple supporting spreadsheets.</p> <p>Formal contracts and/or Procurement Decision Records are lacking for areas of significant contractor expenditure and some arrangements require retender.</p> |
| 6 | Children's Services – Fire, Health & Safety | <p>Differences were identified between the Children's Services records of fire responsible buildings and the Corporate Fire Safety Team's records of buildings.</p> <p>Most Children's Services responsible buildings have not been allocated an adequately trained Local Fire Safety Co-ordinator.</p> <p>Fire safety checks had not been carried out in line with their required schedule.</p> <p>Fire Risk Assessments had not been completed for two buildings.</p> |
| 7 | Children's Services – Commissioning Delivery | <p>Placement approval forms were not all approved in line with the service scheme of delegation.</p> <p>The Gateway board process has fundamental issues, such as one of the boards not operating at all, poor attendance, and no specified quorums.</p> |

| | Audit | High Priority recommendations to improve controls covering: |
|----|--|---|
| 8 | Housing – Temporary Accommodation and Bed & Breakfast Financial Management | Income and expenditure budgets are in need of comprehensive review and re-basing to ensure they are sufficient, aligned to service demand / experience and that contingency arrangements are in place in case of reduction in grant funding. Misalignment of financial system budget and expenditure codes and inconsistent cost allocation practices inhibit financial oversight and decision-making. |
| 9 | Wellbeing – Supplier Assurance | There is no procedure for supplier assurance. Contracts are not always in place. Evidence of valid insurance was not in place for all expected contracts. Contract monitoring was not in place in all cases, was inconsistent and not evidenced. |
| 10 | Finance - Asset Management (Estates) KAF | Data on Civica TechForge is incomplete and not reconciled to Dynamics. |

- 11 During 2024/25 regularity audit work was undertaken covering a range of systems in different service areas and schools and included audits of the following fundamental Council financial systems: Main Accounting, Creditors, Debtors, Housing Rents, Housing Benefits & Council Tax Reduction Scheme, Treasury Management, Social Services Financial Assessments, Payroll, Council Tax and NDR systems (as set out in Annexe 2).
- 12 The Council's Assurance Framework (as set out at Annexe 3) has been populated to show Internal Audit coverage during 2024/25 over the significant risks facing the Council which has been carried out through Key Assurance audit reviews.
- 13 Recommendations were made throughout the year across all service areas and schools, and action plans detailing management actions to mitigate the risks and control weaknesses identified have been agreed in all cases.
- 14 For all audits finalised during the period April 2024 to March 2025, a total of 255 recommendations were made (compared to 257 recommendations in 2023/24 and 250 recommendations in 2022/23). 100% of these recommendations have been accepted by management.
- 15 The establishment of robust follow-up procedures has provided assurance that the implementation of audit recommendations is high. The quarterly update report to this committee provides an ongoing status update of recommendations and any that require escalation.
- 16 It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date must be reported to the Audit & Governance Committee. This is to ensure the Committee is fully apprised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
- 17 Several high priority recommendations, where target dates had passed but the recommendation had not been implemented, were reported to the committee who were satisfied that a revised target date was appropriate for some good reason.
- 18 Auditees score individual areas of the audit process resulting in a combined total client satisfaction score (5-Very Good, 4-Good, 3-Satisfactory, 2-Poor, 1-Very Poor). The following average auditee satisfaction scores were received during 2024/25:

| Year | Audit completed within expected timescales | Adequately consulted and able to highlight concerns/risks | Helped to manage risks, improve controls and governance | Report clear, concise, well presented and understandable | Overall |
|----------------|--|---|---|--|-------------|
| 2022/23 | 4.17 | 4.29 | 4.17 | 4.58 | 4.30 |
| 2023/24 | 4.69 | 4.72 | 4.69 | 4.66 | 4.69 |
| 2024/25 | 4.52 | 4.66 | 4.59 | 4.52 | 4.57 |

- 19 The overall average score of 4.57 for 2024/25 illustrates a very high level of satisfaction with the way in which audits are conducted and exceeded the performance target of 4 (Good). This shows that management recognise the value added by the Internal Audit team, which provides timely, clear and independent advice on the establishment and adequacy of the control environment.

Counter Fraud Work

- 20 Counter Fraud work was undertaken during 2024/25 to further improve the Council's arrangements for combating fraud & corruption. This work included reviewing selected fraud risk areas such as homecare & residential care payments, procurement cards, mandate fraud, direct payments for children, contract award, cash income, and planning applications.
- 21 Proactive counter fraud work is carried out including obtaining information on frauds that have occurred in other local authorities (through sources such as the National Anti-Fraud Network). The information is assessed for risk exposure within BCP Council and assurances are sought that existing controls would prevent the fraud occurring.
- 22 Internal Audit have continued to provide specialist investigative resource to support management with high risk fraud areas (housing tenancies, right to buy and blue badges). Work was also carried out on coordinating the annual Cabinet Office National Fraud Initiative (NFI) data matching exercises.
- 23 Work was completed (by end of November 2024) by Internal Audit on a Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD. Discounts were removed where fraud or error was found, and the national penalty charge (£70) was levied for failure to notify the Council of a change in circumstances. The Internal Audit pilot resulted in a total yield of £675,793 (including financial penalties of £26,880) and removing 556 single person discounts.
- 24 Due to the success of the project in contributing to the MTFP, the project moved to 'business as usual' within the Compliance Team within the Revenues & Benefits Service from December 2024 and the Audit & Governance Committee has continued to receive assurance that approach continues to generate yield.
- 25 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 Policy (and Financial Regulations) were undertaken by the Internal Audit team during the year and new policies were agreed by this Committee for 'go live' on the first day of the new financial year (1/4/25).
- 26 During July 2024, BCP Council was subject to its three-yearly inspection by the Investigatory Powers Commissioner's Office (IPCO). The inspection was to assess compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA). Internal Audit, on behalf of the Council, provided a written response to a set of questions from the IPCO which resulted in a letter from them stating that they were satisfied with ongoing compliance with RIPA and the IPA and ensuring the risks of unregulated surveillance, particularly online is minimised.

- 27 Internal Audit have carried out proportionate investigations during the year in response to every identified or suspected case of financial irregularity. A full report will be provided to this Committee in October for the financial year 24/25.
- 28 Outcomes of the counter fraud work (including concluded investigations and NFI results) are incorporated into the Internal Audit Counter Fraud Work and Whistleblowing Referrals annual report which will be presented to the October 2025 Audit & Governance Committee meeting.

Risk Management Framework

- 29 An annual audit review of the Risk Management key assurance function was carried out and resulted in an 'Reasonable' audit opinion, demonstrating the adequacy of the risk management framework.
- 30 There is a Risk Management Policy and the Audit & Governance Committee receive, on a quarterly basis, an update on the Council's corporate risk register.

Governance Work

- 31 Internal Audit completed some specific governance reviews during the year (in addition to key assurance functions work) :
- Council Companies Governance – Follow Up
 - Investment & Development KAFs Overview - Reasonable
- Where applicable, recommendations were made to improve internal control and governance arrangements.
- 32 The Local Code of Governance update is being taken to this Committee meeting as part of the Annual Governance Statement report.
- 33 Progress made against actions arising from the 2023/24 Annual Governance Statement has been reviewed and was presented to the Audit & Governance Committee in January 2025.
- 34 Work was undertaken to compile the 2024/25 Annual Governance Statement for inclusion in the Council's statement of accounts. The preparation of the statement included reviewing the Management Assurance Statements (evaluation on the adequacy and robustness of management controls) completed by Service Directors.

Other Work

- 35 Work was undertaken during the year to certify grant and external funding schemes totalling over £13 million as required by the grant funding conditions. The grants included:
- Supporting Families;
 - Various Department for Transport grants;
 - Disabled Facilities Grant;
 - Early Education Funding;
 - Skills and Learning Multiply Grant;
 - Department for Environment, Food & Rural Affairs Grants.
- 36 Internal Audit carried out internal audits of the Charter Trustees of Bournemouth and the Charter Trustees of Poole as requested to support their Annual Governance and Accountability Returns (AGAR). This was a fee chargeable service.
- 37 Work was carried out to provide assurance on compliance with the Declaration of Interests, Gifts & Hospitality Policy, specifically the necessary completion of Form 2s by Tier 4 and above officers and is being reported separately to this committee meeting in under the 'Annual Review of Register of Declarations of Interests, Gifts and Hospitality by Officers Report 2024/25' report.
- 38 Assurance on funds allocated to nurseries and pre-schools was provided during the year. Issues regarding the funding claim were raised for one setting which the Early Education Funding Team have been made aware of.
- 39 Support and advice has been provided on breaches of Financial Regulations which is included in a separate report to this committee meeting.

- 40 Internal audit also continued to provide support on the independent review for Local Government early retirement (on the grounds of ill health) appeals during the year.
- 41 Officer time was also spent on supporting the equalities and women's network corporate groups.
- 42 Internal Audit has completed planned actions on its Data Analytics Strategy to support the effective and efficient delivery of assurance. Specific assurance work was undertaken using data analytics and continuous auditing techniques on purchasing card payments, employee expenses and <£250 auto approved creditor payments during 2024/25.
- 43 The Chief Internal Auditor assisted this Committee in developing a detailed scope for an investigation into the set-up, running of and close down of BCP Futureplaces, a wholly owned BCP Council Teckal company – the bulk of the actual investigation work will fall into the 2025/26 audit year.

Compliance with Professional Standards

- 44 The Public Sector Internal Audit Standards (PSIAS) require the Council to put in place a quality assurance and improvement programme in respect of Internal Audit, which must include both external and internal assessments.
- 45 CIPFA concluded that the BCP Internal Audit Team conformed with the PSIAS following their external assessment in June 2021. An external assessment is required to take place every 5 years under PSIAS (and also under the new Global Internal Audit Standards w.e.f. 1 April 2025), therefore it is next planned for June 2026.
- 46 An annual internal self-assessment is carried out in between the external assessment and the self-assessment carried out during 2024/25 demonstrated that all standards were met.
- 47 All Auditors sign an annual declaration of the Institute of Internal Auditor's (IIA) code of ethics, which confirms that they will remain independent and will report any conflicts of interest to the Chief Internal Auditor or Head of Finance. In undertaking all audit reviews, officers have acted independently, objectively and ethically at all times.
- 48 In accordance with the Audit Charter, the Deputy Chief Internal Auditors have overseen all audit engagements for functions that are managed by the Chief Internal Auditor (Emergency Planning, Business Resilience, Risk Management, Insurance and Health & Safety) and reports have been provided directly to the Head of Finance.
- 49 The new Global Internal Audit Standards came into effect from 1 April 2025 and replaced the Public Sector Internal Audit Standards. A report was taken to the 20 March 2025 Audit & Governance Committee which provided an overview of the new standards and stated that following a self- assessment it was judged that the internal audit function 'generally conforms' across all standards / domains. An action plan is in place to ensure full conformance.
- 50 The CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations" demonstrates the Head of Internal Audit's (HIA) critical role in delivering the organisation's strategic objectives. An annual self-assessment has been carried out in respect of the five principles contained in this document, which states that the HIA:
- a should promote good governance, assess the adequacy of governance and management of existing risks, and advise on proposed developments;
 - b should give an objective and evidence based opinion on all aspects of governance, risk management and internal control;
 - c must be a senior manager with regular and open engagement across the organisation with the Leadership Team and the external auditor;
 - d must lead and direct an internal audit service that is resourced to be fit for purpose; and
 - e must be professionally qualified and suitably experienced.
- 51 The Chief Finance Officer (CFO) has confirmed, through regular 1:1 meetings and a formal annual appraisal, that the Council's Chief Internal Auditor is compliant with all of these five principles.

- 52 It is the opinion of the Chief Internal Auditor that the Internal Audit Team complies with professional standards and has completed sufficient and appropriate work to provide assurance on the adequacy and effectiveness of the Council's internal control environment.

Appendices

| | |
|----------|---|
| Annexe 1 | 2024/25 Audits Completed |
| Annexe 2 | Key Financial System Audit Opinions |
| Annexe 3 | BCP Council Assurance Framework 2024/25 |

Annexe 1: 2024/25 Audits Completed

| | Service Area | Audit | Assurance Opinion |
|----|--------------------------------------|---|-------------------|
| | SERVICE DIRECTORATE AUDITS | | |
| 1 | Adult Social Care | Section 117 Hub & Budget (2023/24/25) | Reasonable |
| 2 | Commissioning | Supplier Assurance | Partial |
| 3 | Commissioning | Tricuro | Reasonable |
| 4 | Housing & Public Protection | Temporary Accommodation and B&B Financial Management | Partial |
| 5 | Children's Commissioning | Commissioning Delivery including quality assurance | Partial |
| 6 | Wellbeing Directorate | Risk Management (KAF) | Reasonable |
| | | | |
| 7 | Education & Skills | Personal Education Plans – Virtual School | Partial |
| 8 | Quality & Governance | Children's Fire, Health & Safety | Partial |
| 9 | Quality & Governance | Risk Management | Follow Up |
| 10 | Quality & Governance | Workforce Development - Training | Reasonable |
| | | | |
| 11 | Customer & Property Operations | Council Companies Governance | Follow Up |
| 12 | Planning & Transportation | Highways Infrastructure Asset Register Review | Reasonable |
| 13 | Planning & Transportation | Community Infrastructure Levy - Management of Spend | Consultancy |
| 14 | Planning & Transportation | Developer Contributions (2023/24/25) | Partial 6 |
| 15 | Environment | Information Governance (KAF) | Reasonable |
| 16 | Investment & Development | KAFs Overview | Reasonable |
| | | | |
| 17 | People & Culture | Recruitment | Reasonable |
| 18 | Finance | Business Continuity (KAF) | Reasonable |
| 19 | Law & Governance | Business Continuity (KAF) | Reasonable |
| 20 | IT & IS | Application Rationalisation | Reasonable |
| 21 | IT & IS | Artificial Intelligence | Partial |
| 22 | IT & IS | Business Planning & Performance Management (KAF) | Reasonable |
| 23 | IT & IS | Third Party Access | Reasonable |
| 24 | Marketing, Communications & Policy | Business Planning & Performance Management (KAF) | Reasonable |
| | | | |
| | KEY ASSURANCE FUNCTION AUDITS | | |
| 25 | Customer, Arts & Property | Asset Management (Facilities Management) (2023/24/25) | Partial 8 |
| 26 | Finance | Asset Management (Estate Management) | Partial 9 |
| 27 | Finance | Business Continuity & Emergency Planning | Reasonable |
| 28 | Finance | Financial Management (with Main Accounting KFS) | Reasonable |
| 29 | Finance | Health & Safety | Reasonable |
| 30 | Customer, Arts & Property | Fire Safety | Follow Up |
| 31 | People & Culture | Human Resources (sickness absence & flexible working) | Substantial |
| 32 | Finance | Procurement | Reasonable |
| 33 | IT & IS | Project & Programme Management | Reasonable |
| 34 | IT & IS | ICT (security of assets) | Reasonable |
| 35 | Finance | Risk Management | Reasonable |

| | Service Area | Audit | Assurance Opinion |
|----|-------------------------------------|---|-------------------|
| 36 | Marketing, Communications & Policy | Business Planning & Performance Management | Reasonable |
| 37 | Adult Social Care | Corporate Safeguarding | Reasonable |
| 38 | Marketing, Communications & Policy | Sustainable Environment | Follow Up |
| 39 | Marketing, Communications & Policy | Partnerships | Follow Up |
| 40 | Law & Governance | Information Governance | Reasonable |
| | KEY FINANCIAL SYSTEMS AUDITS | | |
| 41 | Finance | Housing Benefits & Council Tax Reduction Scheme | Reasonable |
| 42 | Finance | Council Tax | Reasonable |
| 43 | Finance | Non Domestic Rates | Reasonable |
| 44 | Finance | Main Accounting (with Financial Management) | Reasonable |
| 45 | Finance | Creditors | Reasonable |
| 46 | Finance | Debtors | Reasonable |
| 47 | Finance | Treasury Management | Reasonable |
| 48 | Finance | Social Care Financial Assessments | Reasonable |
| 49 | Finance | Payroll | Reasonable |
| | SCHOOL AUDITS | | |
| 50 | Children's Services | Corpus Christi School | Reasonable |
| 51 | Children's Services | Somerford School | Reasonable |
| 52 | Children's Services | St Walburga's School | Reasonable |
| 53 | Children's Services | Winchelsea School | Reasonable |
| 54 | Children's Services | Christchurch Learning Centre | Partial 10 |
| | COUNTER FRAUD AUDITS | | |
| 55 | All service areas | Contract Award | Reasonable |
| 56 | All service areas | Cash Income | Reasonable |
| 57 | All service areas | Procurement Cards | Reasonable |
| 58 | Children's Services | Direct Payments | Reasonable |
| 59 | Commissioning | Homecare and Residential Care Payments | Reasonable |
| 60 | Finance | Mandate Fraud | Reasonable |
| 61 | Planning & Transport | Planning Applications | Reasonable |

| Audits Carried Out Across 2024/25/26 (i.e. straddled the financial year end) | | | |
|---|--------------------------|---|-----------------|
| | Service Area | Audit | Status |
| Completed | | | |
| 62 | Commercial Operations | FCERM Commercial Charging & Cost Control | Reasonable |
| Finalising | | | |
| 63 | Commercial Operations | Car Parking & Enforcement Income Management | Draft Report |
| 64 | Investment & Development | Housing Acquisitions Programme Review | Draft Report |
| 65 | Environment | Coroner & Mortuary Service | Draft Report |
| 66 | Education & Skills | Schools Finance | Draft Report |
| 67 | Housing Rents | Housing Rents (Key Financial System) | Drafting Report |
| 68 | Commercial Operations | Seafront Compliance with Planning | Drafting Report |

| Audits Deferred (for Consideration in 2025/26), Removed or Added | | | |
|---|-------------------------|---|---|
| | Service Area | Audit | Comment/ rationale |
| 1 | Adult Social Care | Contact Centre | Contact centre project not going ahead in the way initially envisaged but they will be transforming the service, therefore audit not required. |
| 2 | Housing & Communities | Food Safety Regulation Compliance | Delay to changes to food standard agency regulations |
| 3 | Commissioning | Care Technology | Service transformation underway. Audit originally planned for Q3, now postponed to 2025/26 to review new processes and whether transformation objectives were met. |
| 4 | Public Health | Public Health | Public Health to be brought 'in house' from 1st April 2025. Audit originally planned for Q4, postponed until 2025/26 when a key assurance review will be undertaken. |
| 5 | Children's Services | Local Authority Designated Officer (LADO) | Originally planned for Q3, however, service has been reviewed both externally & internally in recent months. |
| 6 | Law & Governance | Local Land Charges | Service changes currently underway. Audit originally planned for Q3, postponed to 2025/26. |
| 7 | Housing | Housing Quality including New Social Housing Regulations Compliance | The timing of this is dependent on the outcome of the Housing Quality Network external assessment into the readiness for the new Regulator of Social Housing Rules. This is now not expected until February, so the audit has been postponed until Quarter 1 in 2025/26. |
| 8 | Housing | Housing Assets Health & Safety Compliance Follow Up | Incorporated into a more detailed/extensive crossover year audit (2023/24/25) of Housing Assets Health & Safety Compliance, the results of which were reported to the previous Audit & Governance Committee. An audit is planned for 2025/26 which will include follow up of the recommendations made. |
| 9 | Education & Skills | Capital Programme | The team has recently recruited Project Managers who will be addressing known issues as highlighted in previous Capital Programme audit. The audit was agreed to be postponed until early 2025/26 to review actual arrangements. |
| 10 | Customer & Property | Asset Management (Facilities Management) | Incorporated into a more detailed/extensive crossover year audit (2023/24/25) of Customer & Property – Facilities Management Health & Safety Compliance (Corporate Assets), the results of which are reported above. An audit is planned for 2025/26 which will include follow up of the recommendations made. |
| 11 | Commissioning | Brokerage Contract Allocation Analysis | 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. |
| 12 | Adult Social Care | Liberty Safeguards | 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. |
| 13 | Partnerships & Strategy | KAF Overview | This was delayed at the request of the Director due to changes in staffing arrangements. |

| | | | |
|----|--------------------------|---------------------------------------|---|
| 14 | People & Culture | IR35 Compliance | 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. |
| 15 | Investment & Development | Housing Acquisitions Programme Review | Concerns were highlighted in respect of potential overspend on the Housing Acquisitions programme and inadequate programme management. Given the potential size of the overspend, this was added to the 2024/25 Internal Audit plan as a 2024/25/26 audit. A draft report has been issued and will be reported to the next Committee. |
| 16 | Customer & Property | Corporate Complaints | Due to resource pressures, this is now being carried out as part of the 2025/26 Plan and a draft report is due shortly. |

Annexe 2: Key Financial Systems Opinions

| Assignment Title | Service Area | 2024/25 Opinion | 2023/24 Opinion | 2022/23 Opinion |
|--|------------------|-----------------|-----------------|-----------------|
| Council Tax | Finance | Reasonable | Reasonable | Reasonable |
| NDR | Finance | Reasonable | Reasonable | Reasonable |
| Housing Benefit & Council Tax Reduction Scheme | Finance | Reasonable | Reasonable | Reasonable |
| Debtors | Finance | Reasonable | Follow Up | Partial |
| Main Accounting | Finance | Reasonable | Partial | Reasonable |
| Creditors | Finance | Reasonable | Reasonable | Reasonable |
| Payroll | People & Culture | Reasonable | Reasonable | Reasonable |
| Treasury Management | Finance | Reasonable | Reasonable | Reasonable |
| Housing Rents | Housing | Reasonable* | Follow Up | Reasonable |
| Social Services Financial Assessments | Finance | Reasonable | Reasonable | *Reasonable |

Notes

* Audit being finalised and expected audit opinion

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.

Annexe 3

BCP Assurance Framework 2024/25

| INTERNAL SOURCES OF ASSURANCE | |
|--|---|
| Source of Assurance | Internal Audit Assurance Work |
| Internal Audit | <ul style="list-style-type: none"> • All Service Directorates audited during 2024-25 • 62 out of 68 audits fully completed (see Annexe 1 for list of audits) • 1 Substantial, 45 Reasonable and 10 Partial Assurance Level opinions were given during the year. 1 consultancy review and 5 follow up reviews were also carried out • There were no Minimal assurance opinions |
| Counter Fraud | <ul style="list-style-type: none"> • Audit assignments carried out during 2024/25 have considered the risk of fraud including targeted high fraud risk reviews • Corporate Fraud Officer has provided support to service directorates on high risk external fraud areas (including housing tenancy) • Several investigations carried out and recommendations made to improve controls • Participated in National Fraud Initiative (NFI) data matching exercise • Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all NFI data matches that may indicate fraud or error in relation to residents claiming SPD successfully completed and project moved to 'business as usual' with Revenues & Benefits service |
| Asset Management (Estate Management) | <ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management – estate management ('Partial' audit opinion) |
| Asset Management (Facilities Management) | <ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management - facilities management (2023/24/25 'Partial' audit opinion) |
| Business Continuity | <ul style="list-style-type: none"> • Regular reporting took place during the year on corporate emergency planning arrangements to Audit & Governance Committee • Corporate Resilience Strategy and Emergency Planning & Business Continuity Governance Framework are in place • Internal Audit carried out an annual assurance review on Business Continuity ('Reasonable' audit opinion) |
| Business Planning & Performance Management | <ul style="list-style-type: none"> • Corporate performance reporting to Cabinet took place during the year • Internal Audit carried out an annual assurance review ('Reasonable' audit opinion) |

INTERNAL SOURCES OF ASSURANCE

| Source of Assurance | Internal Audit Assurance Work |
|--------------------------------------|--|
| Financial Management | <ul style="list-style-type: none"> Regular reporting took place in year to Cabinet and Council Internal Audit review of Financial Management and Main Accounting system undertaken during the year ('Reasonable' audit opinion) |
| Fire Safety | <ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out a 'follow up' review on corporate Fire Safety arrangements with no significant concerns raised |
| Health & Safety | <ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out an annual assurance review on corporate Health & Safety arrangements ('Reasonable' audit opinion) |
| Human Resources | <ul style="list-style-type: none"> Audit review carried out on corporate Human Resources arrangements covering sickness absence & flexible working ('Reasonable' audit opinion) |
| Information Communication Technology | <ul style="list-style-type: none"> Internal Audit carried out reviews on Application Rationalisation ('Reasonable' audit opinion), Artificial Intelligence ('Partial' audit opinion), Third Party Access ('Partial' audit opinion) and Business Planning & Performance Management (KAF) ('Partial' audit opinion) An annual assurance review on ICT security of assets also carried out ('Reasonable' audit opinion) |
| Information Governance | <ul style="list-style-type: none"> Information Governance Board in place and regular meetings occurring Internal Audit carried out an annual assurance review on Information Governance ('Reasonable' audit opinion) |
| Partnerships | <ul style="list-style-type: none"> Procurement & Contracts Board in place and regular meetings occurring Internal Audit carried out a 'follow up' review on corporate Partnerships arrangements with no significant concerns raised |
| Procurement | <ul style="list-style-type: none"> Internal Audit review of Procurement carried out ('Reasonable' audit opinion) See separate Annual Report on Breaches and PDRs reported to this committee |
| Project & Programme Management | <ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on corporate project and programme management arrangements ('Reasonable' audit opinion) |

| INTERNAL SOURCES OF ASSURANCE | |
|---------------------------------|---|
| Source of Assurance | Internal Audit Assurance Work |
| Risk Management | <ul style="list-style-type: none"> • Corporate Risk Management Strategies and frameworks in place • Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management • Audit review carried out on current arrangements for risk management ('Reasonable' audit opinion) |
| Safeguarding | <ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on corporate safeguarding arrangements ('Reasonable' audit opinion) |
| Sustainable Environment | <ul style="list-style-type: none"> • Internal Audit carried out a 'follow up' review on corporate sustainability arrangements with no significant concerns raised |
| Management Assurance Statements | <ul style="list-style-type: none"> • Received from Corporate and Service Directors • Any potential significant issues raised were considered for inclusion on the Annual Governance Statement |
| EXTERNAL SOURCES OF ASSURANCE | |
| External Audit | Quality / Accreditation Schemes |
| External Reviews & Inspections | External Benchmarking |
| Regulatory Bodies | Peer Reviews |

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AUDIT AND GOVERNANCE COMMITTEE

| | |
|----------------------------|--|
| Report subject | Audit & Governance Committee Annual Report 2024/25 |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <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 • Contributed to strengthening risk management, internal control and governance arrangements in BCP Council. |
| Recommendations | It is RECOMMENDED that the Audit & Governance Committee consider and approve the annual report prior to its submission to Council on 14 October 2025. |
| Reason for recommendations | To demonstrate how the Audit & Governance Committee has fulfilled its terms of reference, complied with national guidance relating to audit committees, and contributed to strengthening risk management, internal control and governance arrangements in BCP Council. |
| 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</p> <p>☎01202 128784</p> <p>✉ nigel.stannard@bcpcouncil.gov.uk</p> |

| | |
|----------------|-----------------------------|
| Wards | Not applicable |
| Classification | For Recommendation Decision |

Background

1. Good practice suggests that an annual report to Council is produced to demonstrate importance the Council places on good governance arrangements.
2. Good governance is ultimately the responsibility of Council as the governing body of BCP Council. 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.

Audit & Governance Committee Annual Report 2024/25

3. The attached report at Appendix A, Annual Report of the Audit & Governance Committee 2024/25, demonstrates how the committee has:
 - Fulfilled its terms of reference;
 - Complied with national guidance relating to audit committees;
 - Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.
4. The report is split into the following areas:
 - Foreword by Councillor Marcus Andrews and Councillor Eleanor Connolly
 - Introduction
 - The Audit & Governance Committee Information
 - Committee Business – The Work & Activity of the Committee
 - Looking Forward
5. The report also includes the Terms of Reference for the Audit & Governance Committee for reference at Appendix 1.

Options Appraisal

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

Summary of financial implications

7. There are no direct financial implications from this report.

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

11. There are no public health implications from this report.

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Annual Report of the Audit & Governance Committee 2024/25

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ANNUAL REPORT OF THE AUDIT & GOVERNANCE COMMITTEE 2024/2025

Annual Report of the Audit & Governance Committee 2024/25

Foreword by Councillor Marcus Andrews and Councillor Eleanor Connolly

We are pleased to introduce the annual report of the Audit & Governance Committee, summarising the contribution the committee made during the 2024/25 municipal year to the achievement of good governance, effective internal control, and strong financial management within the Council.

All councillors and the two independent members of the committee bring a balanced, independent, and objective approach to business of the committee and we sincerely thank them for the contributions they have made.

The committee has provided robust challenge and review of the Council's arrangements for risk, governance, and audit, across four 'core' and four 'non-core' meetings, and has:

- Reviewed and approved the Council's statutory accounts;
- Overseen the production of the Annual Governance Statement;
- Overseen and approved the annual evolution of four key policies: the Whistleblowing Policy, the Anti-Fraud and Corruption Policy; the Declaration of Interests, Gifts and Hospitality Policy and the Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy.
- Overseen and approved the annual evolution of Financial Regulations;
- Received and reviewed the annual Counter Fraud update report;
- Received and reviewed detailed assurance reports on the key aspects of the Council's internal control arrangements, including risk management, information governance, health and safety, emergency planning and business continuity, treasury management and performance management, providing robust challenge to BCP council arrangements and to suggest areas where improvements can be made; and
- Provided oversight to the Council's internal audit function, receiving the annual report and opinion alongside regular quarterly updates on progress against the internal audit plan, including the implementation of recommendations made in line with the committee approved Audit Charter.

Given the national backstop arrangements, we acknowledge that the external auditor's disclaimer opinion issued for the Statement of Accounts for 2023/24 was the best outcome BCP Council could expect, this position being common across upper tier Councils. This highlights the continued good work of the Council's Accountancy team and the effective relationship with the external auditor.

Given the continued concerns surrounding BCP FuturePlaces, the Committee commissioned a wide-ranging investigation from the Council's Chief Internal Auditor. This investigation will report to the Committee in the late summer/early autumn of 2025. However, the Committee recognises that further additional lines of enquiry may be required.

We believe the Committee worked hard with officers to understand and strengthen governance arrangements across the Council, and to ensure that risks were appropriately managed and mitigated.

The Committee took a flexible and agile approach, adapting to emerging issues and concerns raised by councillors with us. Four 'non-core' meetings were held where 'deeper dive' reports, presentations, training and briefings were received to provide greater insight and assurance on these often complex matters.

Cllr Marcus Andrews
Chair - 2024-25
Vice Chair - 2025-26

Cllr Eleanor Connolly
Vice Chair – 2024-25
Chair – 2025-26

1. INTRODUCTION

1.1 This annual report to the Council meeting demonstrates the importance the Council places on good governance arrangements and takes into account suggested best practice in regards content and style.

1.2 The Chartered Institute for Public Finance and Accountancy (CIPFA) describes the overall aim of good governance as:

‘to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities’

CIPFA/Solace Delivering Good Governance in Local Government Framework 2016 Edition (the Good Governance Framework)

1.3 Good governance is ultimately the responsibility of Council as the governing body of BCP Council. This report provides assurance as to the way in which the Audit & Governance Committee has discharged its role to support the Council in this responsibility. In addition, the report underpins the Annual Governance Statement, which is approved by the committee.

1.4 This report demonstrates how the committee has:

- Fulfilled its terms of reference;
Complied with national guidance relating to audit committees; and
- Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.

2. THE AUDIT & GOVERNANCE COMMITTEE INFORMATION

Role of Audit & Governance Committee

2.1 The Committee is appointed by Council to support the discharge of its functions in relation to good governance by providing a high-level focus on audit, assurance and reporting.

2.2 CIPFA defines the purpose of an audit committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
2. 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 annual governance processes.

Audit Committees – Practical Guidance for Local Authorities and Police (2018)

2.3 The Terms of Reference for the Audit & Governance Committee are reviewed annually against current regulations, the CIPFA position statement and guidance for audit committees and best practice in comparable authorities.

2.4 The Committee's approved Terms of Reference for 2024/25, which are detailed on the BCP website, can be summarised as providing independent assurance to Council in relation to the:

- Effectiveness of the Council's governance arrangements, risk management framework and internal control environment;
- Overseeing the work of Internal and External Audit;
- Reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement and monitoring the Council's compliance with its Code of Corporate Governance; and
- Reviewing the adequacy of certain policies and procedures to ensure compliance with statutory and other guidance.

The complete Terms of Reference for the committee are shown at Appendix 1 of this report.

Membership and attendance

2.5 The Committee was chaired during 2024/25 by Councillor Marcus Andrews and the vice chair was Councillor Eleanor Connolly. The Committee comprised nine councillors (inclusive of the Chair and Vice) and two independent members.

2.6 The Committee met formally on eight occasions during 2024/25. All meetings were quorate and face to face in line with government requirements for all committee meetings. Attendance at the meetings is recorded below:

| Committee member | Number of meetings possible to attend | Number of meetings attended in person (able to vote) | Number of meetings viewed on MS Teams(not able to vote) | Apologies sent & formal substitute appointed who attended in person (able to vote) | Apologies sent & no substitute appointed |
|---|---------------------------------------|--|---|--|--|
| Councillor | | | | | |
| Marcus Andrews (Chair) | 8 | 8 | 0 | 0 | 0 |
| Eleanor Connolly (Vice Chair) | 8 | 5 | 3 | 0 | 0 |
| Sara Armstrong | 8 | 7 | 0 | 0 | 1 |
| John Beesley | 8 | 7 | 0 | 1 Cameron Adams | 0 |
| Philip Broadhead | 3 | 2 | 0 | 0 | 1 |
| Brian Castle | 2 | 0 | 0 | 1 Lisa Northover | 1 |
| Richard Herrett | 1 | 1 | 0 | 0 | 0 |
| Margaret Phipps | 8 | 8 | 0 | 0 | 0 |
| Vikki Slade | 7 | 2 | 1 | 3 Tony Trent | 1 |
| Michael Tarling | 8 | 6 | 0 | 2 Jo Clements(1), TonyTrent(1) | 0 |
| Clare Weight | 8 | 7 | 0 | 1 Tony Trent | 0 |
| Independent members (non-voting) | | | | | |
| Samantha Acton | 8 | 6 | 1 | n/a | 1 |
| Lindy Jansen-vanVuuren | 8 | 3 | 4 | n/a | 1 |

2.7 Councillor Brian Castle was a member of the Committee for the first two meetings of the year until he passed away in August 2024. Following the resulting election and review of political balance, Councillor Philip Broadhead became a member of the Committee from

January 2025. Councillor Vikki Slade replaced Councillor Richard Herrett from the July 2024 meeting following his appointment to Cabinet.

- 2.8 Various other councillors attended committee meetings from time to time, often for specific agenda items. Councillor Mike Cox, Portfolio Holder for Finance, attended most meetings in person or virtually.
- 2.9 In addition to the committee members, the Chief Executive, Director of Finance, Head of Audit & Management Assurance (the Chief Internal Auditor), Director of Law and Governance, representatives from the External Auditors (Grant Thornton) and other officers including the Insurance & Risk Manager and Democratic Support officers, as appropriate, attended committee meetings.

Independence of the committee

- 2.10 As a Council appointed committee, Audit & Governance Committee is appointed in accordance with the requirements for political balance and proportionality but, in line with CIPFA guidance and best practice, strives for political neutrality.
- 2.11 Samantha Acton and Lindy Jansen-vanVuuren served as non-voting Independent Members to the committee, having been appointed by Council following an openly advertised selection process in October 2023, and running to 31 March 2026. The introduction of independent members to the committee has enhanced the independence of the committee as it discharges its functions. In addition, the professional audit and business experience and knowledge of its independent members give depth and insight to the robust challenge the committee provides in considering the assurances received.

Knowledge and Skills of the committee members

- 2.12 Councillors bring with them a wide range of knowledge and skills from their working life and elected representative roles to the work of the committee. The skills and knowledge of the committee are further complemented by those of the Independent Members, who have brought with them a wealth of knowledge and experience in both business and audit settings, and they apply this knowledge, skill and experience to BCP Council.
- 2.13 The committee also participated in 'deeper-dive' sessions including, for example, arrangements for the use of Consultants & Interim staffing and Procurement arrangements (including changes resulting from the Procurement Act 2023) – a full list as shown in the table at 3.2.
- 2.14 The External Auditor routinely provided sector updates and presented some in depth briefings.
- 2.15 Cllr Marcus Andrews attended CIPFA Better Governance Forum training for audit committee chairs.
- 2.16 The BCP Council Audit & Governance Committee MS Team continues to be used where committee members can communicate with each other or officers to discuss matters, to seek training or to simply ask a question. Officers also share relevant sector briefings using this MS Team.
- 2.17 Looking forward, the committee will continue to participate in further training and development opportunities over the 2025/26 municipal year. The new chair has once again invited members of the committee, or indeed any councillors, to make her aware of any governance, risk or internal control matters where greater understanding or

acquisition of skills may benefit individuals or the committee³. in discharging its responsibilities. Such requests will be incorporated into the Forward Plan for a report, presentation or training session to be received in the non-core meetings of the committee. (Four planned in 25/26).

- 2.18 Refresher training on the roles and responsibilities of Audit Committees has been arranged with the external auditor, Grant Thornton, for autumn 2025.

Operation of the committee

- 2.19 The Committee met on eight formal occasions during the 2024/25 municipal year with meeting dates structured around the receipt of annual assurance reports, external and internal audit reporting cycles, and the statutory requirements for production of the Accounts and Annual Governance Statement. This frequency of meetings ensures the committee can fulfil its responsibilities in an efficient and effective way and has been compared against the CIPFA recommended practice and arrangements in other local authorities.
- 2.20 The Committee meeting on eight occasions during the municipal year is towards the more frequent end of other local authorities' comparison. The most common other local authority frequency was quarterly, which tallies with the 'core' meetings of the BCP Council Audit & Governance committee.
- 2.21 Live streamed webcasts of each meeting allowed members of the public and press to access meetings remotely. Members of the public were free to make statements or ask questions related to the agenda items at committee meetings in line with the Constitution. All committee meetings during 2024/25 heard questions and or statements from members of the public. In the case of questions, a response generally prepared by an officer was provided to the chair who gave the answer on public record.
- 2.22 The Committee is supported by several officers who attend regularly and bring expertise in relation to corporate governance, internal audit, finance, legal compliance, risk and resilience and information governance.
- 2.23 The chair and vice chair of the Committee have a briefing with appropriate officers prior to each committee meeting to ensure the meeting runs as smoothly as possible in terms of who is presenting, and who else is likely to wish to speak.

3. COMMITTEE BUSINESS - THE WORK & ACTIVITY OF THE COMMITTEE

- 3.1 The key functions of the Committee are aligned to key statutory and regulatory deadlines. Consequently, the committee in 2024/25 has received:
- Some reports in arrears, for the 2023/24 and residual 2022/23 financial years;
 - Some update reports in real or close to real time for the 2024/25 financial year; and
 - Some reports in advance to implement policies and procedure for the 2025/26 financial year.
- 3.2 The table below summarises the reports received by the Committee during the 2024/25 municipal year.

| Terms of Reference area | Reports received by the committee to enable oversight and discharge of responsibilities |
|--|---|
| Governance, Risk & Control | <ul style="list-style-type: none"> • Annual Governance Statement 2023/24 and Annual Review of Local Code of Governance and Action Plan Update • Chief Internal Auditor's Annual Opinion 2023/24 • Annual Breaches & approved Waivers of Financial Regulations 2023/24 • Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2023/24 • Annual Use of Regulation of Investigatory Powers Act and Investigatory Powers Act 2023/24 • Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2023/24 • Risk Management – Corporate Risk Register quarterly updates <p><i>Please note that no Information Governance update was brought during the municipal year. This was because the timing of the report was amended from April to July to allow effective compilation of the previous year's performance information. The Committee received an update in April 2024 and will receive the next in July 2025. As this is only a delay of 3 months, we do not consider that this has impacted on the Committee's ability to discharge its responsibilities. Annual reports will be received in July henceforth.</i></p> |
| Internal Audit | <ul style="list-style-type: none"> • Chief Internal Auditor's Annual Opinion 2023/24 • Quarterly Internal Audit Plan Updates 2024/25 • Assurance Framework & Internal Audit Plan 2025/26, including the Audit Charter and Global Internal Audit Standards for 2025/26 |
| External Audit | <ul style="list-style-type: none"> • Audit Plan 2023/24 • Audit Findings Report & Statement of Accounts 2021/22 & 2023/24 • Auditors Annual Report (Value for Money arrangements report 2023/24) • Audit Progress & Sector quarterly updates • Local Audit in England – Backlog Update |
| Treasury Management | <ul style="list-style-type: none"> • Treasury Management Outturn 2023/24 • Treasury Management Strategy 2025/26 • Treasury Management Quarterly Monitoring Updates |
| Accountability arrangements | <ul style="list-style-type: none"> • Audit & Governance Committee Annual Report 2023/24 |
| Other functions | <ul style="list-style-type: none"> • Emergency Planning & Business Continuity annual update • Health & Safety and Fire Safety annual update • Annual evolution of Council Policies for 2025/26: <ul style="list-style-type: none"> i. Whistleblowing ii. Anti-Fraud and Corruption iii. Declaration of Interests, Gifts & Hospitality iv. Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) • Financial Regulations - annual evolution for 2025/26 |
| Discretionary and/or requested functions | <ul style="list-style-type: none"> • Review of the Council's Constitution - a separate working group was convened and met several times during the year to review the Constitution. Changes were discussed and agreed at Audit & Governance Committee and subsequently approved or not by Council • Commercial Operations - Planning permissions approach • Arrangements for the use of Consultants & Interim staffing |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Presentation – Budget and Medium Term Financial Plan (MTFP) decision making process, governance and safeguards • Presentation – Procurement Arrangements (including changes resulting from the Procurement Act 2023) • Presentation - Transparency of officer decision making and accountability to Councillors • Presentation - Governance surrounding the disposal of Council land and property • Increased Borrowing - Hawkwood Road and Housing Delivery Council Newbuild Housing and Acquisition Strategy (CNHAS) • Performance Management, including business planning - Governance and reporting • Review of BCP FuturePlaces Limited • Carters Quay |
|--|--|

3.3 The core functions of the committee, as suggested and identified by CIPFA best practice, is summarised in the following sections.

The Statement of Accounts (SoA) and Annual Governance Statement (AGS)

3.4 Council has delegated to the Committee the authority to approve the Council's pre-audited and audited Statement of Accounts, which includes the Annual Governance Statement, on behalf of the Council.

3.5 The Committee considered the interim (or draft) AGS in July 2024, just after the formal period of public consultation, and went on to approve the Council's Annual Governance Statement for 2023/24 following receipt of the Chief Internal Auditor's Opinion.

3.6 The Committee approved the audited Statement of Accounts for 2023/24 on 27 February 2025. Due to the challenges of undertaking the prior year audit (2022/23), a disclaimer opinion on the financial statements was issued in accordance with the application of the local authority backstop. This impacted the audit opinion for 2023/24 as the auditors did not have assurance over opening balances.

3.7 This position is common across the vast majority of local authorities, and all upper tier local authorities (as BCP Council is).

3.8 The audit for the 2024/25 year has commenced and Grant Thornton and BCP Council are working collaboratively to re-install more timely audit reporting in line with the national agenda.

External Audit

3.9 Grant Thornton LLP remain BCP Council's external auditor, having been re-appointed through Public Sector Audit Appointments Limited during 2023/24. They have been the incumbent auditor since BCP Council came into being on 1 April 2019, will remain the Council's appointed auditor until (at least) the completion of the 2027/28 accounting year audit.

3.10 The Committee plays a significant role in overseeing the Council's relationship with its external auditor and takes an active role in reviewing the external audit plan, progress reports and the annual report which sets out the findings of the value for money opinion, which reviews the Council's arrangements for securing economy, efficiency and effectiveness.

3.11 In February 2024 the Committee received the external auditor's annual report, where the auditor is required to report their commentary under specific criteria, namely financial sustainability, governance and improving economy, efficiency and effectiveness. They are required to report on any significant weaknesses they identify.

3.12 The 2023/24 Annual Report identified the following weaknesses:

| Criteria | 2022/23 Auditor judgement on arrangements | 2023/24 Auditor judgement on arrangements | Direction of travel |
|---|--|--|---------------------|
| Financial sustainability | R Two key recommendations on the transformation programme and the medium-term plan. Three improvement recommendations made. | R Two new key recommendations raised in 2023/24 relating to the plan to manage the Dedicated Schools Grant (DSG) deficit and the Council's cash position. One significant weakness from the prior year remains outstanding in respect of medium-term financial plan. Positively, the prior year key recommendation in respect of the control and management of the transformation programme, as well as the delivery of savings and management of costs has been removed. No new improvement recommendations made in 2023/24 but one improvement recommendation from the prior year remains open. | ↔ |
| Governance | R One key recommendation made in relation to the Council entering in high-risk ambitious projects without due governance. Seven improvement recommendations raised. | A No significant weakness identified. The key recommendation from the prior year has been resolved and closed. We raised one improvement recommendation in 2023/24 and a further two improvement recommendations from the prior year remain open. | ↑ |
| Improving economy, efficiency and effectiveness | R Two key recommendations raised around children's social care and BCP Future Places. One improvement recommendation raised in 2021/22 and 2022/23. Two improvement recommendations from 2020/21 remain open. | R The key recommendation raised in the prior year relating to transformation and BCP Future Places is closed. We raise a new key recommendation on the Council's SEND provision. One key recommendation from the prior year relating to children's services remains open. | ↔ |

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Overall, three key recommendations were made and a further three improvement recommendations were made. The Council provided the External Auditor with management responses to all the recommendations. Recommendations were either implemented or are being implemented. In the latter case, being implemented, this is where the action or requirement may take time to embed or take effect.

The Committee particularly noted the following key commentary surrounding the Council's governance arrangements:



Governance

In the prior year, we identified a significant weakness and raised a key recommendation around the Council entering high-risk ambitious and challenging projects without proper or full consideration of governance arrangements. Since May 2023, the Council has had a new administration. We note a clear change in approach to decision making. Specifically, a more traditional and conventional one, avoiding high-risk or ambitious projects for transformation with proper regard to advice from statutory officers. On this basis we no longer consider this a significant weakness in governance arrangements.

The Council was issued with a Best Value Notice in August 2023 which mentioned two key governance issues relating to the Member relationships and the development of the senior leadership team. Since the issuing of the notice, the Council has proactively pursued an action plan to address the recommendations made. There is evidence of significant progress, though this will be reviewed by MHCLG in August 2024.

The Council has appropriate risk management arrangements in place. There is an effective internal audit function in place to monitor and assess the operation of internal controls. The Council has made significant changes to its budget setting process to bring it in line with traditional and conventional approaches. This was in place for the 2023/24 and 2024/25 budget setting processes.

On this basis we are able to conclude that the Council's governance arrangements for 2023/24 to be effective and have reported no significant weaknesses in arrangements.

3.13 During the year, the committee also received regular reports and sector updates.

3.14 The Committee looks forward to continuing to work with the External Auditors; considering the responses of management to audit recommendations and ensuring that appropriate actions are agreed and implemented.

Internal Audit

3.15 The Committee works closely with the internal audit function, both overseeing the independence and effectiveness of the service and receiving assurance from the Head

of Audit & Management (HAMA) assurance as to the adequacy and effectiveness of the Council's internal control environment.

- 3.16 The Committee noted the assurance, through interim self-assessment, that the Internal Audit service conforms with the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 3.17 From 1 April 2025, Internal Audit are required to conform to the new Global Internal Audit Standards (GIAS), the Application Note for the GIAS in the UK Public Sector and CIPFA's Code of Practice for the Governance of Internal Audit the UK Local Government, which replace the PSIAS.
- 3.18 The Committee received assurance that the Internal Audit team had been preparing for this change and a self-assessment showed them to 'generally conform' with the requirements. They identified that there are a number of areas for development in order to reach full conformance and the resultant action plan was shared with this Committee.
- 3.19 The previous external assurance received from the Chartered Institute of Public Finance & Accountancy (CIPFA) was received in June 2021, and as per the GIAS requirements, the next external assessment will be carried out by June 2026 as part of a 5 year rolling cycle.
- 3.20 The Committee reviewed and agreed the Internal Audit Charter, which fundamentally updated in line with the GIAS, to include a Mandate, which is a new requirement. The Mandate and the Audit Charter continues to ensure the independence of the Internal Audit team.
- 3.21 The Committee reviewed the strategic annual risk based audit plan for 2024/25, including the allocation of resource to respective Council service areas. Following challenge from the Committee, positive discussions around information provided to the Committee to support their understanding of the plan were held, resulting in additional information being presented, which will continue moving forward.
- 3.22 The Internal Audit team moved to quarterly detailed operational audit scoping and planning. Local government sector challenges and significant levels of organisational change created uncertainty, complexity and increasing risk. Quarterly planning enabled the team, and the committee, to ensure audit plans were flexible and adaptive to new and emerging risks in this environment.
- 3.23 The Committee received and considered regular reports from the HAMA throughout the year providing updates on progress against the 2024/25 Internal Audit Plan, together with information relating to the wider work of the Internal Audit section.
- 3.24 The Committee was advised of the outcomes of every internal audit review, with greater depth and follow up provided in relation to reviews resulting in 'partial' or 'minimal' assurance. There were 10 'partial' assurance (including two cross-year audits) and, reassuringly, no 'minimal' assurance review outcomes reported to the Committee during 2024/25.
- 3.25 The Committee also received assurance that management responded positively by agreeing all recommendations made and these were followed up by the Internal Audit team to ensure they were implemented in the agreed timeframes.

- 3.26 The Committee received reports from the HAMA where any high priority recommendations were not implemented by the agreed target date or where medium priority recommendations were overdue by over two years. The Committee had the power to 'call-in' officers to explain delays in implementing recommendations – the Committee did not exercise this power during 2024/25. In the rare circumstances where high priority recommendations were not implemented by the target date, the explanations provided were reasonable and a revised target date was agreed.
- 3.27 The Committee was satisfied that the work undertaken to support the overall opinion of the HAMA was conducted in accordance with established methodology that promoted quality and conformance with the International Standards for the Professional Practice of Internal Auditing and the PSIAS.
- 3.28 The HAMA's overall Annual Audit Opinion concluded the Council has an adequate and effective framework of internal control, risk management and governance, although the detailed reporting through the year identified areas of weakness and where improvements can be made.

Risk Management

- 3.29 The Committee oversees the Council's risk management arrangements and strategy, which is currently being revised in line with feedback from the Corporate Management Board, the Committee and the Cabinet.
- 3.30 The Committee reviewed the progress made by the Council in identifying and addressing corporate risks. This included consideration of the Corporate Risk Register at all core meetings.
- 3.31 During 2024/25 a number of officers (risk owners) were asked to attend the committee meeting so the Committee could assess the adequacy and effectiveness of risk management.

Corporate Governance

- 3.32 The Committee considered and approved a refreshed Code of Corporate Governance. The Code reflects the core principles and requirements of the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework'.
- 3.33 The draft and final Annual Governance Statement for 2023/24 was approved showing how the Council complied with the Code of Corporate Governance and highlighting areas where improvements were required.
- 3.34 The Committee established a Constitution Review Working Group of five of its Councillors. The 2024/25 members of the Working Group were Councillor Connolly (Chair) and Councillors Andrews, Armstrong, Beesley and Phipps.
- 3.35 Since its establishment in July 2020, the Working Group has continued to meet as required to consider requests for change. The Group received advice from various officers including the Monitoring Officer and Head of Democratic Services. From time to time, as required, Officers and Councillors with specialist responsibility were invited to have an involvement.
- 3.36 Working Group recommendations that were agreed by Council have been implemented and incorporated into a revised and updated version of the Constitution and published on the Council's web site.

4. LOOKING FORWARD

- 4.1 The Committee has approved an initial Forward Plan for the 2025/26 municipal year setting out the regular update reports and annual assurance reports it will receive. This draft Forward Plan will be reviewed quarterly and will be amended or added to as required.
- 4.2 The Committee will remain flexible in its approach, to accommodate additional items within its remit as they emerge. As in the last municipal year, the committee will request and consider reports in relation to relevant matters which come to our attention during the year.
- 4.3 The Committee will provide the usual level of robust challenge to corporate governance and audit practice and procedure across the authority to ensure that BCP Council arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with.
- 4.4 In addition to the routine business the committee have requested assurance reports in the 25/26 municipal year in relation to:
- BCP FuturePlaces Investigation
 - Investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development

BCP COUNCIL - FUNCTIONS OF THE AUDIT & GOVERNANCE COMMITTEE

Functions of the Audit & Governance Committee are set out below. The Audit & Governance Committee cannot delegate for a decision any issues referred to it apart from any matter that is reserved to Council.

Statement of Purpose

Our Audit & Governance Committee is a key component of Bournemouth, Christchurch and Poole (BCP) Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit & Governance Committee is to provide 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.

Governance, Risk & Control

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 the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

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 arrangements for counter-fraud and corruption, including 'whistle-blowing' including approval of the Counter Theft, Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy.

To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

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 Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).

To consider the Head of Internal Audit's annual report: a) The statement of the level of conformance with the PSIAS and LGAN 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).

External Audit

To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA).

To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

To consider all other relevant reports from the External Auditor as scheduled in the forward plan for the Committee as agreed with the External Auditor or otherwise requested by Councillors.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To commission work from External Audit (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 liaise with the national body (currently Public Sector Audit Appointments (Ltd)) (PSAA) over the appointment of the Council's External Auditors.

To consider reports dealing with the management and performance of the External Audit function.

To consider and approve the Annual Plans of the External Auditor.

Financial Reporting

To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

To report to Full Council and publish an annual report on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

To report to Full Council and publish an annual report on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

Other Functions

To consider arrangements for treasury management including approving the Treasury Management Strategy and monitoring the performance of this function.

To maintain an overview of the Council's Constitution in respect of financial regulations, working protocols and codes of conduct and behaviour (not otherwise reserved to the Standards Committee or other committees).

To consider breaches, waivers and exemptions of the Financial Regulations.

To consider any relevant issue referred to it by the Chief Executive, Chief Finance Officer (CFO), Chief Internal Auditor (CIA), Monitoring Officer (MO) or any other Council body or Cabinet Member.

To consider arrangements for information governance, health and safety, fire safety, emergency planning (including business continuity).

To consider any issue of Council non-compliance with its own and other relevant published regulations, controls, operational standards and codes of practice.



To consider gifts and hospitality registers relating to officers.

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AUDIT AND GOVERNANCE COMMITTEE



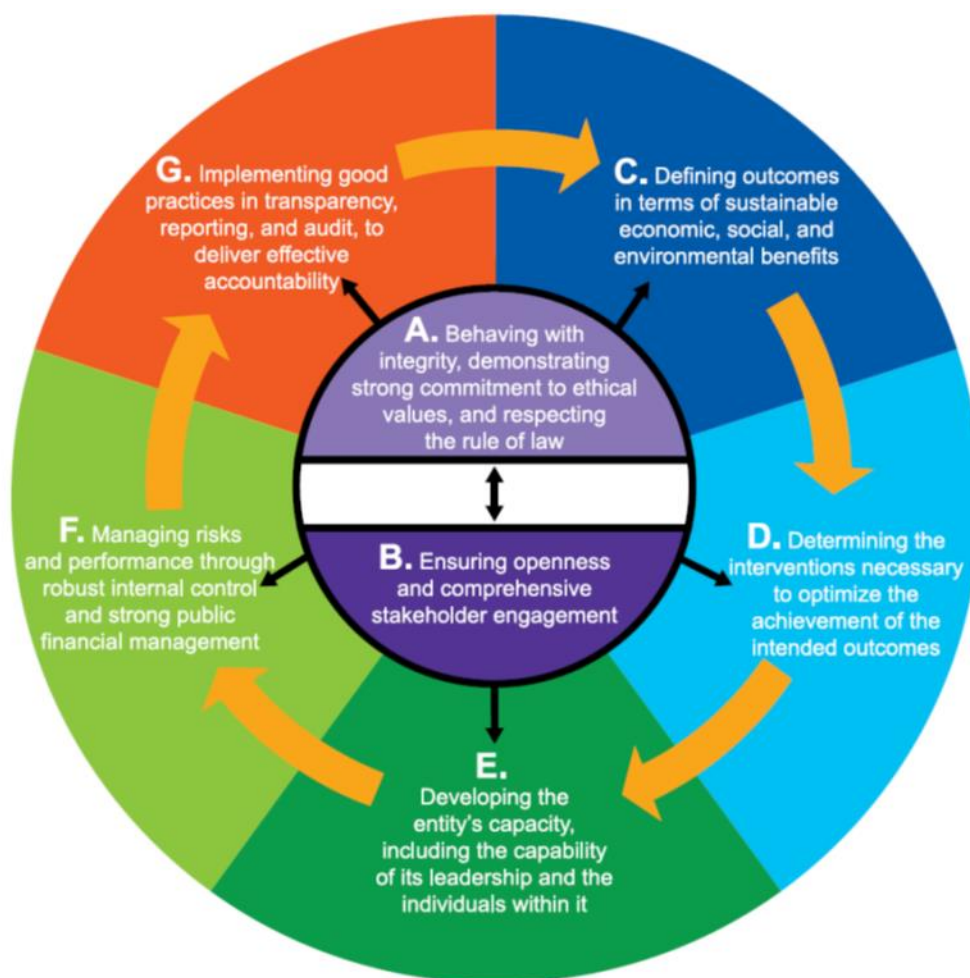
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| Report subject | Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | <p>The Accounts and Audit Regulations 2015* require councils to 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>*and as amended by the Accounts and Audit (Amendment) Regulations 2024</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> |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>a. The ‘pre-audited’ Annual Governance Statement 2024/25 is approved (subject to any comments received in connection with the public inspection of accounts)</p> <p>b. The annual update of Local Code of Governance is approved.</p> |
| Reason for recommendations | <p>The Accounts and Audit Regulations 2015* require authorities to conduct a review at least once a year of the effectiveness of its governance arrangements and, following the review, approve an AGS which must accompany and be published with the Council's</p> |

| | |
|----------------------|---|
| | Statement of Accounts. |
| 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  nigel.stannard@bcpcouncil.gov.uk</p> <p>Ruth Hodges  ruth.hodges@bcpcouncil.gov.uk Audit Manager (Deputy Chief Internal Auditor)</p> |
| Wards | Not applicable |
| Classification | For Decision |

Background

1. The Accounts and Audit Regulations 2015* require the Council to produce an Annual Governance Statement (AGS) following review of its governance framework. This review is carried out in accordance with the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework and guidance.
2. The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled, and by which it is accountable to, engages with and leads the community.
3. BCP Council's Local Code of Governance describes the Council's governance framework using the seven principles of governance identified by best practice, shown in diagram 1 below.
4. The AGS comments on the effectiveness of these arrangements and identifies any significant issues (weaknesses) for the Council to address.
5. The draft AGS has been published as part of the Statement of Accounts statutory public inspection period from 30 June to 8 August 2025, during which time the public has the right to inspect, make an objection to, or ask the external auditor questions about any part of the accounts, including the AGS. If comments pertaining to the AGS are received these will be considered by CMB and presented to the Audit & Governance Committee ahead of the final statement of accounts being audited and published.
6. Once approved by A&G Committee the AGS will then become the 'pre-audited version' that is submitted within the Statement of Accounts to the External Auditors. At this stage it is also required to be signed by the Chief Executive and Leader of the Council, who must be satisfied that the document is supported by reliable evidence.
7. The final audited AGS is published within the Council's Statement of Accounts.
8. The Audit & Governance Committee is required to review the AGS and monitor the Council's response to the issues identified in the action plan.

Diagram 1, taken from the 'International Framework: Good Governance in the Public Sector'.



Process for Compiling the AGS

9. The AGS is compiled from a wide range of evidence sources across the Council, including in-year elements and a year-end assessment which includes:
 - Completion of Management Assurance Statements by service directors;
 - Internal documentation and reports;
 - Consideration of governance of BCP companies and trusts;
 - Chief Internal Auditor's Annual Report (reported separately to this Committee);
 - Findings from internal and external reports (e.g. external audit, OFSTED);
 - Follow up of the previous year's AGS Action Plan; and
 - Consideration of any matters arising from the public inspection period.
10. A range of potential issues were identified during the evidence gathering process and was considered by BCP's Corporate Management Board (CMB). CMB recognise whether an issue constitutes a significant governance issue is one of

judgement rather than fact, however the criteria below provide a framework for those judgements:

- has/may seriously prejudice or prevent achievement of a principal Council objective or priority;
- has/may result in a need to seek additional funding to allow it to be resolved, or has/may result in a significant diversion of resources from another service area;
- has/may led to a material impact on the accounts;
- has/may attract significant public interest or has/may seriously damage the reputation of the Council;
- has/may be publicly reported by a third party (e.g. Grant Thornton, Ofsted) as a significant governance issue; or
- has/may result in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

AGS Conclusion and areas requiring improvement

11. The AGS concludes that BCP Council **“for the year ended 31st March 2025 and to the date of the publication of the Statement of Accounts, it has effective, fit-for-purpose governance arrangements in place in accordance with the governance framework.”**
12. Overall governance arrangements are considered sound. The Council has desire and a duty to improve governance arrangements, accordingly three governance issues are identified, as follows:

| | Significant Governance Issue 2024/25 | |
|---|--|--|
| 1 | Dedicated School Grant (DSG) | This remains a significant governance issue from the 2023/24 AGS . Note , this issue is common to a significant number of other upper tier local authorities. |
| 2 | Department for Education (DfE) ‘Statutory Direction’ for special educational needs and disability services (SEND) | This remains a significant governance issue from the 2023/24 AGS . |
| 3 | Mandatory Training | Although improvement has been made, this remains a significant governance issue from the 2023/24 AGS . |

13. Of the five significant governance issues identified in the 2023/24 AGS, three have been included in this year’s AGS as shown in the table above. The remaining 2023/24 issue, **Best Value Notice** and **the Delay in the completion of the previous years’ External Audit**, have been addressed.
14. An action plan to address the four issues has been put in place and high-level progress against these actions will be reported to Audit and Governance Committee in January 2026.

15. There were also a series of other issues identified for possible inclusion in the AGS. Whilst these were undoubtedly issues for the Council, they did not meet the Council's significant governance issue criteria, for example, they may be significant risks to the Council but not directly governance related, they may have been governance weaknesses, but in a relatively narrow scope of the Council's business, or they may have been operational concerns rather than governance issues. Consequently, these issues were not included as significant governance issues on the AGS statement. Some of these are shown below (not an exhaustive list) as follows:
- Association for Public Service Excellence (APSE) Legal Challenge
 - BCP Council Companies Governance
 - BCP Council Local Plan not supported by the Planning Inspectorate
 - Housing Delivery – budget monitoring of acquisitions
16. Please note that the version of the AGS published as part of the Statement of Accounts for public inspection includes Housing Delivery as a significant governance issue. Following further investigation, it was concluded that whilst there were some weaknesses in governance, this does not meet the criteria of a significant governance issue. There was, for example, no overall overspend and decision records were in place for every acquisition.
17. There is currently an investigation into concerns regarding BCP FuturePlaces, the scope of which includes governance processes. As FuturePlaces did not exist in 2024/25 this has not been included as a significant governance issue on this year's AGS. Please note, however, that FuturePlaces was included as a significant governance issue in the 2022/23 AGS and removed for 2023/24 following its closure.
18. This strong focus on governance and improvement reflects the Council's objective to deliver its priorities with openness and transparency and to improve the Council's financial sustainability.

BCP Council – Local Code of Governance

19. The BCP Local Code of Governance is regularly reviewed to keep it as up to date as practicable. Since the inception of BCP Council, regular revisions have been necessary to reflect the evolution of the Council's governance arrangements. Only very minor tweaks were required this year. A revised version is attached at Appendix 2 for approval.

Options Appraisal

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

Summary of financial implications

20. The AGS is part of the annual Statement of Accounts and is reviewed by Grant Thornton, the External Auditor, to ensure it is consistent with their understanding of the organisation. Consequently, failure to produce an AGS and / or failure to properly disclose any matter known to the organisation would be reported by Grant Thornton.
21. Grant Thornton will reflect on the council's AGS in drawing its value for money conclusion for 2024/25 as part of their annual report to this committee.

Summary of legal implications

22. The Accounts and Audit Regulations 2015* require the Council to produce an AGS. Failure to comply would result in the Council not meeting its statutory requirements.

Summary of human resources implications

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

Summary of sustainability impact

24. There are no direct sustainability impacts from this report.

Summary of public health implications

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

Summary of equality implications

26. In respect of the Local Code of Governance, an Equality Impact Assessment Screening Tool has been completed and reviewed. The Council's Equality & Diversity policy, supporting the equality & diversity governance framework and equality impact assessment processes, which are part of the Local Code of Governance, are in place to ensure and promote positive equality outcomes for everyone.

Summary of risk assessment

27. There is a risk that failure to prepare the Annual Governance Statement in line with proper practice would breach the requirements of the Accounts and Audit Regulations 2015.
28. If timely actions are not taken to address the issues in the Action Plan arising from the AGS, then there is a risk that the Council's governance arrangements may not be adequate or consistent with good practice.

Background papers

None

Appendices

Appendix 1 – BCP Council AGS 2024/25

Appendix 2 – Local Code of Governance (June 2025 update)

BCP Council

Annual Governance Statement

2024/25

Draft – updated for Audit & Governance Committee

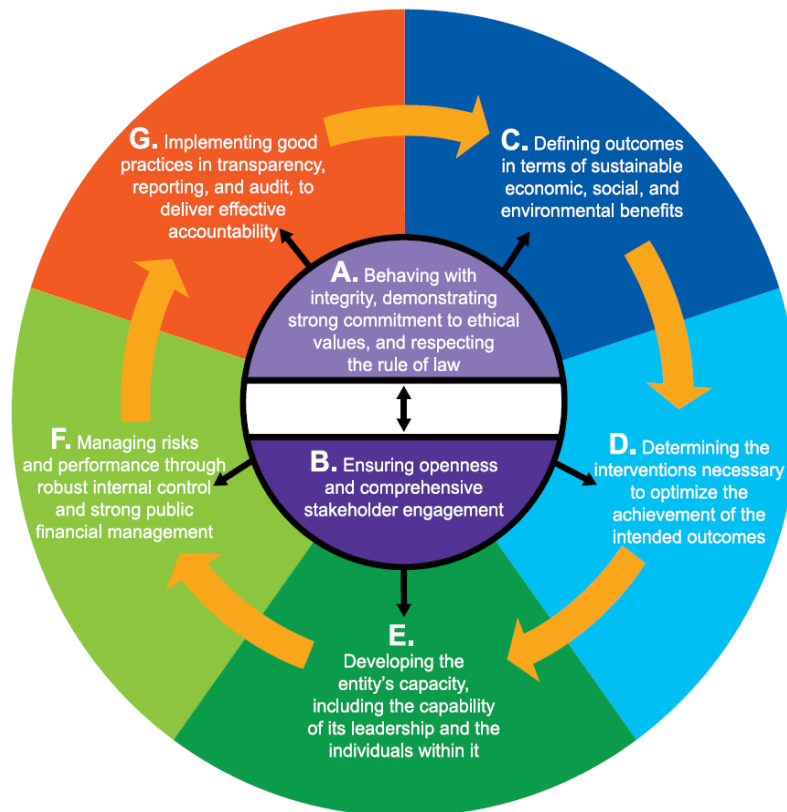
July 2025 - *Note this is an updated version of public inspection*

Scope of Responsibility

- 1 BCP Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and used economically, efficiently and effectively.
- 2 In discharging this overall responsibility, BCP Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arranging for the management of risk.
- 3 To this end, BCP Council has adopted a Local Code of Governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of this Code is available on the [Council's website](#).
- 4 The Annual Governance Statement (AGS) explains how BCP Council complied with the Code and met the requirements of the Accounts and Audit Regulations 2015 (as amended) in relation to its preparation, approval and publication.

The Purpose of the Governance Framework

- 5 The governance framework comprises of the systems and processes, culture and values by which the authority is directed and controlled, and by which it accounts to, engages with and lead its communities. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether those objectives led to the delivery of appropriate services and value for money.
- 6 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It does not eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; to evaluate the likelihood and potential impact of those risks being realised; and to manage them efficiently, effectively and economically.
- 7 The key elements of the Council's governance framework are identified in the [Local Code of Governance](#) which is consistent with the seven best practice principles of the *International Framework: Good Governance in the Public Sector* (CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*) as shown in the diagram below.



- 8 BCP Council's governance framework was in place for the year ended 31 March 2025 and up to the date of the approval of the Statement of Accounts.

Review of Effectiveness of the Governance Framework

- 9 BCP Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including how it meets the principles above and the effectiveness of the system of internal control. This includes how its vision, priorities and ambitions, as articulated in the corporate strategy "A shared vision for Bournemouth, Christchurch and Poole", are delivered, effectiveness of decision making, and governance of partnerships and group entities.
- 10 The AGS is the method by which we record the outcome of this review. The AGS also includes the Council's group entities as identified in its Statement of Accounts.
- 11 As part of the review, the Council considers both in-year, continuous elements and year-end review processes.
- 12 Many of the elements identified in the Local Code of Governance provided on-going review of the effectiveness of the governance framework during the 2024/25 financial year including:
- Democratic processes, such as Full Council, Cabinet, Overview and Scrutiny functions, which operated in line with the Council's Constitution.

- The Audit and Governance Committee, which provided independent assurance to the Council on the effectiveness of governance arrangements, risk management and the internal control environment.
- Established arrangements for senior officers to meet as part of Corporate Management Board, Corporate Strategy Delivery Board and Directors Strategy Group.
- Statutory Officers Group, comprising of the Chief Executive, Monitoring Officer and Chief Financial Officer, which met regularly throughout the year. The Head of Audit & Management Assurance also attended these meetings.
- The role of the Chief Financial Officer (CFO) in terms of non-statutory codified professional practice, legislative and statutory responsibilities, and corporate governance requirements is set out in the Council's Constitution. The Council's financial management arrangements conformed to the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2016). The Director of Finance is designated as the Council's CFO.
- Substantial compliance with the Financial Management Code with actions in place to address the remaining issues.
- The Council's assurance arrangements also conformed to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). The Head of Audit & Management Assurance was designated as the Council's Head of Internal Audit.
- The Director of Law & Governance has been designated as the Monitoring Officer, whose functions include a duty to keep under review the operation of the Constitution to ensure it is lawful, up to date and fit for purpose.
- Review of and changes to the Constitution following the work of the Constitution Review Working Group and Monitoring Officer.
- The Council reached a good level of performance against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This means the organisation has put in place effective arrangements across many aspects of the counter-fraud code and undertook positive action to manage its risks.
- Internal Audit, who provided an independent appraisal function and assurance on the adequacy of internal controls and of risks to the Council's functions and systems.
- External Audit, to whom the Council provides support, information and responses as required, and ensures findings and recommendations are appropriately considered.
- Regular scrutiny of financial monitoring reports by Councillors and Officers.
- External reviews and inspections, the results of which are reported and acted upon as appropriate. These included, for example:
 - Ofsted Inspection of Children's Services;
 - Local Plan examination hearings; and
 - Lifting of Best Value Notice.

13 A year-end assessment of the effectiveness of the governance arrangements was undertaken, using sources of evidence including:

- Completion of Management Assurance Statements by all Service Directors;
- Internal documentation and reports;
- Chief Internal Auditor's Annual Report;
- Findings from internal and external reports; and
- Follow up of the 2023/24 AGS action plan.

Evaluation, Conclusion and Significant Governance Issues

- 14 Following review and evaluation of governance arrangements, BCP Council considers that, **for the year ended 31 March 2025 and to the date of the publication of the Statement of Accounts, it has effective, fit-for-purpose governance arrangements in place in accordance with the governance framework.**
- 15 The Council's Corporate Management Board (CMB) considered the effectiveness of the governance arrangements, including potential significant governance issues arising from the review, using the following criteria as a guide:
- The governance issue may, or has, seriously prejudice/d or prevent/ed achievement of a principal Council objective or priority;
 - The governance issue may, or has, result/ed in a need to seek additional funding to allow it to be resolved, or may, or has, result/ed in a significant diversion of resources from another service area;
 - The governance issue may, or has, led to a material impact on the accounts;
 - The impact of the governance issue may, or has, attract/ed significant public interest or seriously damage/ed the reputation of the Council;
 - The governance issue may, or has, be/en publicly reported by a third party (e.g. external audit, Information Commissioner's Office) as a significant governance issue;
 - The governance issue may, or has, result/ed in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
- 16 Overall governance arrangements are considered sound. The Council has desire and a duty to improve governance arrangements. As a result, CMB determined that the following were governance issues in 2024/25 requiring improvement. An action plan is shown on Table 1.

| | Significant Governance Issue 2024/25 | |
|---|---|--|
| 1 | Dedicated School Grant (DSG) | This remains and updates a significant governance issue from the 2023/24 AGS . Note , this issue is common to a significant number of other upper tier local authorities. |
| 2 | Department for Education (DfE) 'Statutory Direction' for special educational needs and disability services (SEND) | This remains a significant governance issue from the 2023/24 AGS . |
| 3 | Member Mandatory Training | This updates the Mandatory Training significant governance issue from the |

| | | |
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| | | 2023/24 AGS , to focus of Member completion rates. |
|--|--|---|

- 17 Of the five significant governance issues identified in the 2023/24 AGS, three have been included in this year's AGS as shown in the table in paragraph 16. The remaining 2023/24 issues, Best Value Notice and the delay in the completion of the previous year's External Audit, have been addressed.
- 18 BCP Council received confirmation from MHCLG that the Best Value Notice expired in August 2024 and would not be reissued at this time. It noted that "BCP has worked positively with the department and has set out and implemented a range of improvement measures to address the identified concerns."
- 19 The Notice expected actions to be delivered in relation to improvements to FuturePlaces governance, which the inspectors were satisfied had been addressed. FuturePlaces remains subject to on-going scrutiny via Audit & Governance Committee.
- 20 The national external audit backlog has been addressed via the national 'backstop' arrangements, and these will result in some residual accounting and external auditing issues. However, there are no remaining significant governance related issues impacting the Council.
- 21 There were also a number of other issues identified for possible inclusion in the AGS. Whilst these were undoubtedly issues for the Council, they did not meet the Council's significant governance issue criteria, for example, they may be significant risks to the Council but not directly governance related, or they may have been governance weaknesses, but in a relatively narrow scope of the Council's business, or they may have been operational concerns rather than governance issues. Consequently, these issues are not included as significant governance issues. Some of these are shown below (not an exhaustive list) as follows:
- APSE Legal Challenge – this relates to Thurrock Council legal action against multiple local authorities, including BCP. BCP Council is engaged in legal proceedings.
 - Companies Governance – there is an on-going review of governance arrangements for the Council's companies following the Council Owned Companies Shareholder Governance Review. This will be widened to include the Council's charities.
 - Local Plan – the Planning Inspectorate concluded that they did not support the submission Local Plan at Stage 1 of the examination. The Council is now intending to produce a new Local Plan.
 - Housing Delivery project management - recent overspends in housing delivery service area, budget monitoring and management of acquisitions through works to lettings within authorities granted by Cabinet.
- 22 Whilst not appearing in the AGS as significant governance issues, proportionate action is underway to improve governance arrangements and/or manage risks in the areas shown in paragraph 21.

Table 1 - 'Significant Governance Issues' and Action Plan

| | | | |
|---|--|--|----------------------|
| 1 | <p>Designated School Grant (DSG) – the high needs funding shortfall is estimated to be £44.6m for the financial year 2024/25 and a further £57.5m for the financial year 2025/26. The accumulated DSG deficit is therefore estimated to be £108m on 31 March 2025 increasing to £165.5m on the 31 March 2026. There are a number of major governance factors:</p> <p>a) The annual expenditure by the service above the level of annual government grant with a number of contributory factors including the cost of out of borough placements.</p> <p>b) National government requesting that the council fund the annual 2025/26 DSG deficit by the use of temporary borrowing on the basis of their firm commitment to act to deliver a solution which addresses the issue and returns the SEND system to financial sustainability in 2025.</p> <p>c) The consequence of no announcement, or a very late announcement in respect of 2026/27 budget setting, on the national government's commitment to fix the SEND funding system.</p> | | |
| | Action Points | Responsible Officer | Target Date |
| | Review of expenditure in high needs to identify mitigations. | Corporate Director of Children's Services | Ongoing |
| | Progress in achieving the DSG deficit recovery plan is being monitored through the SEND Improvement Board. | Corporate Director of Children's Services Chief Executive & Director of Finance | Ongoing |
| 2 | <p>Department for Education Statutory Direction for special educational needs and disability services (SEND) – February 2024 - BCP Council received statutory direction in relation to SEND from the Department for Education (DfE) in February 2024 following a monitoring visit in July 2023. A SEND Improvement Plan is in place and has been progressed during the year monitored through the SEND Improvement Board. A full SEND inspection is anticipated during 2025</p> | | |
| | Action Points | Responsible Officer | Target Date |
| | The SEND Improvement Plan continues to be delivered in accordance with agreed timescales, reviewed and monitored by the SEND Improvement Board and progress reported to Children's Overview & Scrutiny Committee. | Director of Children's Services | Ongoing - March 2026 |

| | | | |
|---|---|--|--------------------|
| 3 | <p>Mandatory Training – completion rates for mandatory training for officers have increased from 73% in March 2024 to 86% in April 2025. The new performance framework helps to sustain the on-going improvement in completion rates.</p> <p>However, completion rates for some elements of Councillor mandatory training stands as low as 54%. We will be working with this group to support an uptake.</p> | | |
| | Action Points | Responsible Officer | Target Date |
| | Monitoring of completion rates for mandatory training for Councillors is undertaken regularly. Targeted reminders to be sent to individual Members, along with clear explanations of the risks, both to the Council and to the Councillors themselves, if this training is not undertaken. | Monitoring Officer Director of People & Culture | Monthly |

This statement explains how BCP Council has complied with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* and also meets the requirements of the Accounts and Audit Regulations 2015.

We have been advised on the implications of the results of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

G Farrant - Chief Executive of BCP Council

Date

Leader of BCP Council

Date

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LOCAL CODE OF GOVERNANCE

Finance, Estates and Benefits

Author: Ruth Hodges, Deputy Chief Internal Auditor

Date: 24 July 2025

Document Control

| | |
|---------------------|--|
| Policy title | Local Code of Governance |
| Policy owner | Head of Audit & Management Assurance |
| Effective from date | 1 st April 2019 (Original BCP Council Local Code of Governance, thereafter subject to annual evolution) |
| Current version | V2.8 |
| Approval body | Audit & Governance Committee |
| Approval date | 24 July 2025 |
| Review frequency | Annually |
| Next review due | April 2026 |

Revision History

| Date | Version | Significant Changes |
|---------------|---------|--|
| February 2019 | v1 | New BCP Council Policy created |
| October 2019 | V2.2 | Update to reflect the rapid changes in the new BCP Council and add in Section 6 |
| November 2020 | V2.3 | Update to reflect ongoing changes in BCP Council governance framework |
| June 2021 | V2.4 | Update to reflect ongoing changes in BCP Council governance framework; Three Lines Model updated in line with best practice |
| July 2022 | V2.5 | Update to reference new policies implemented in 2021/22, including the Talent and Performance Enablement Policy |
| June 2023 | V2.6 | Minor updates – inclusion of Nolan Principles, Transparency Code & FOI/SARs, further details for a number of areas, deletion of reference to Big Plan & Smarter Structures |
| June 2024 | V2.7 | Minor updates – removal of now defunct policies and strategies to ensure evidence base remains relevant. |
| June 2025 | V2.8 | Minor updates – removal of now defunct policies and strategies and addition of Procurement and Contracts Board and Corporate Strategy Delivery Board to ensure evidence base remains relevant. |

Minor Amendments and Editing Log

The Head of Audit & Management Assurance has primary responsibility for maintaining the Local Code of Governance. It is recognised there may be a need to clarify or update certain elements of the Local Code of Governance from time to time; this may require minor amendments or editing. Minor amendments and editing changes will be made by the Head of Audit & Management Assurance, and these will be logged in the table below. The Local Code of Governance is presented to Audit & Governance Committee annually.

| Date | Description of amendments or editing | Page |
|------|--------------------------------------|------|
| - | - | - |

Equalities Impact Assessment

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|-----------------------------|--|
| Assessment date – June 2024 | No equality implications have been identified from a review of the changes made as part of the annual refresh of the Local Code of Governance (LCoG). Any changes to the policies signposted within the LCoG will be reviewed through their own individual EIAs. |
|-----------------------------|--|

1. Introduction

- 1.1 The Local Code of Governance demonstrates BCP Council's commitment to the highest standards of corporate governance. The Local Code sets out its governance arrangements in relation to the seven best practice principles in the CIPFA/IFAC 'International Framework: Good Governance in the Public Sector' (see Section 4) and as required by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework.

2. What is Corporate Governance?

- 2.1 Corporate governance comprises of the arrangements put in place to ensure that the intended outcomes for service users and stakeholders are defined and achieved, while acting in the public interest at all times. It is about doing the right things, in the right way, for the right people, in a timely, inclusive, open, transparent, honest and accountable manner.

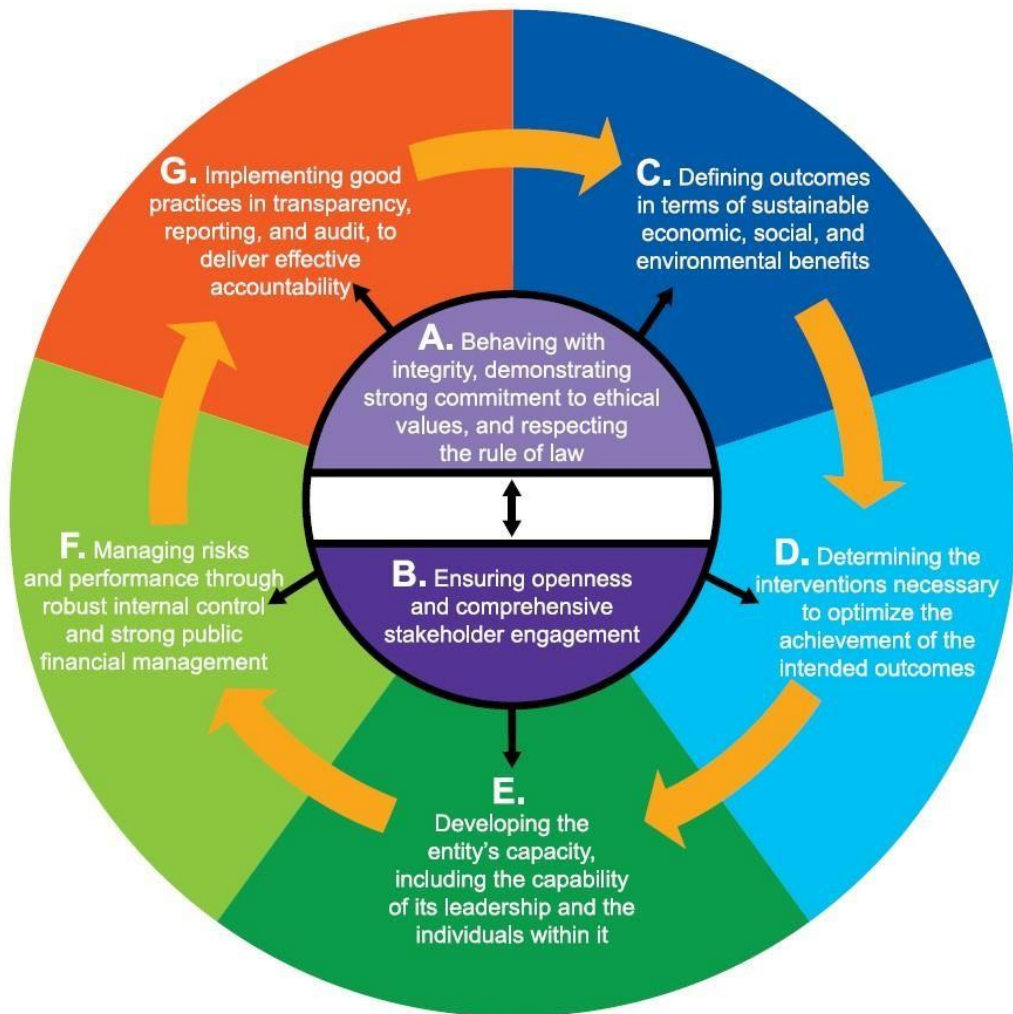
3. Responsibilities for Corporate Governance

- 3.1 All councillors and officers have a responsibility for upholding the principles of good governance. It is a key responsibility for the Leader of the Council and the Chief Executive.
- 3.2 The Statutory Officers Group, comprising of the Monitoring Officer, the Chief Financial Officer and the Chief Executive are responsible for the development, delivery and review of robust corporate governance arrangements.
- 3.3 The Audit & Governance Committee has responsibility for monitoring and reviewing the Council's corporate governance arrangements.
- 3.4 The Chief Auditor produces an Annual Report to Audit & Governance Committee on the adequacy and effectiveness of the Council's systems of internal control.
- 3.5 The Annual Governance Statement is produced following a review of the effectiveness of the Council's corporate governance arrangements, as outlined in this Code. Any significant governance weaknesses are highlighted, and an action plan produced to address these issues, and monitored by the Audit & Governance Committee.

4. The Governance Framework

- 4.1 The diagram below, taken from the International Framework: Good Governance in the Public Sector, illustrates the various principles of good governance in the public sector and how they relate to each other.

“Achieving the Intended Outcomes while acting in the Public Interest at all times”



- 4.2 BCP Council's Local Code of Governance is based on this framework, and the table in section 5 demonstrates the Council's governance arrangements in relation to it.

5. How BCP meets the Principles of Good Governance

| Principles of Good Governance | How we meet these Principles |
|--|---|
| (A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | <p>The Constitution (which is reviewed by the Constitution Review Working Group with any changes approved by Full Council)</p> <p>Member Code of Conduct</p> <p>Member-Member, and Member-Officer Protocols</p> <p>Decision making process for Committees and Members</p> <p>Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)</p> <p>Full Council and Cabinet</p> <p>Standards Committee</p> <p>Audit & Governance Committee</p> <p>Overview and Scrutiny Committee/s</p> <p>Member Registers of Interests and Registers of Gifts and Hospitality</p> <p>Member induction programmes and training plans</p> <p>Financial Regulations</p> <p>Statutory officers (including Monitoring Officer and Chief Financial Officer) fulfil duties in line with regulatory requirements, and who meet as the Statutory Officers Group</p> <p>Officer Code of Conduct</p> <p>Officer induction programmes</p> <p>Behavioural Framework</p> <p>Nolan Principles</p> <p>Mandatory training and learning including data protection, cyber, equality diversity & inclusion, fraud awareness, understanding of safeguarding</p> <p>Officer Declaration of Interests, Gifts and Hospitality Policy</p> <p>Scheme of Delegations to Officers</p> <p>Decision making process for Officers</p> <p>Record of Officer decisions</p> |

| | |
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| | Record of Chief Executive's Delegated Authority decisions |
| | Talent and Performance Enablement Policy and Reviews |
| | Corporate Complaints Procedure |
| | Equality and Diversity Policy and Governance Framework |
| | Recruitment and Selection Policy |
| | Anti-Fraud and Corruption Policy |
| | Whistleblowing Policy |
| | Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption |
| | Regulation of Investigatory Powers Act (RIPA) Policy and compliance |
| | Contractual arrangements |
| | Partnership Registers / Partnership Agreements |
| | Corporate Values |
| | Staff Surveys |
| | Local Plan / Local Development Scheme |
| | Council People and Culture Strategy |
| | Council Operating Model |
| | Agreements with subsidiaries, partners, and external providers |
| | Procurement and Contracts Board |

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| (B) Ensuring openness and comprehensive stakeholder engagement | <p>Multi-channel public communications, including: email newsletters, BCP website, magazines, Facebook and X</p> <p>Proactive publication and reporting</p> <p>Local Government Transparency Code 2015</p> <p>Responses to Freedom of Information and Subject Access Requests</p> <p>Online Council Tax information</p> <p>Corporate Strategy</p> <p>Decision making process for Committees and Members</p> <p>Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)</p> <p>Record of Officer decisions</p> <p>Record of Chief Executive's Delegated Authority decisions</p> <p>Corporate Complaints Procedure</p> <p>Social Care Statutory Complaints Procedure</p> <p>Public/residential surveys, including online</p> <p>Key national and local data</p> <p>Consultation Planning and Guidance</p> <ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums <p>Internal Communications</p> <p>Media Relations Protocol</p> <p>Branding Guidelines</p> <p>Social Media Guidance</p> <p>Partnership Registers / Partnership Agreements</p> <p>Neighbourhood Plans</p> <p>Statement of Community Involvement</p> |
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| (C) Defining outcomes in terms of sustainable economic, social, and environmental benefits | Corporate Strategy |
| | Medium Term Financial Plan process |
| | Performance Monitoring Framework |
| | <ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring |
| | Consultation Planning and Guidance |
| | <ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums |
| | Risk Management Framework |
| | Capital Investment Strategy (Non-Treasury) 2020-2025 |
| | Decision making process for Committees and Members |
| | Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests) |
| | Record of Officer decisions |
| | Record of Chief Executive's Delegated Authority decisions |
| | Equality and Diversity Policy and Governance Framework |
| | Corporate Management Board |
| | Directors Strategy Group |
| | Capital Investment Programme Board |
| | Corporate Property Group |
| | Corporate Strategy Delivery Board |
| | Local Plan |
| | Contractual arrangements |
| | Partnership Registers / Partnership Agreements |

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| (D) Determining the interventions necessary to optimise the achievement of the intended outcomes | <p>Decision making process for Committees and Members</p> <p>Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)</p> <p>Record of Officer decisions</p> <p>Record of Chief Executive's Delegated Authority decisions</p> <p>Performance Monitoring Framework</p> <ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring <p>Medium Term Financial Plan process</p> <p>Risk Management Framework</p> <p>Corporate Strategy</p> <p>Benchmarking and research</p> <p>Capital Investment Strategy (Non-Treasury) 2020-2025</p> <p>Youth Justice Plan</p> <p>Council Safeguarding Strategy</p> <p>Pan-Dorset Safeguarding Children Partnership</p> <p>Corporate Strategy Delivery Board</p> <p>Equality Impact Assessment (EIA) Panels and EIA processes</p> <p>Corporate Parenting Board</p> <p>Health & Wellbeing Board</p> <p>Procurement and Contracts Board</p> |
| (E) Developing the entity's capacity, including the capability of its leadership and the individuals within it | <p>Performance Monitoring Framework</p> <ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring <p>Benchmarking and research</p> <p>People and Culture Strategy</p> |

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| | Job descriptions for all employees |
| | <p>Roles of Cabinet, individual Cabinet Members and all other Members and Committees defined</p> <p>Roles of statutory officers (Chief Executive, Chief Financial Officer and Monitoring Officer) and other senior officers defined</p> <p>Member-Member, and Member-Officer Protocols</p> <p>Scheme of Delegations to Officers</p> <p>The Constitution</p> |
| | <p>Member induction programmes and training plans</p> <p>Officer induction programmes</p> <p>Mandatory training and learning including data protection, cyber, equality diversity & inclusion, fraud awareness, understanding of safeguarding</p> <p>Performance Review Policy</p> <p>Standards Committee</p> <p>Councillor Development Framework</p> |
| | Public/residential surveys, including online |
| | <p>Key national data</p> <p>Consultation Planning and Guidance</p> <ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums <p>Corporate and HR policies and procedures, including those to support health and wellbeing</p> <p>ICT guidance and processes</p> <p>Peer Reviews and Inspections</p> <p>Pay and Reward including Terms and Conditions</p> <p>Workforce Strategy for Children's Services</p> |

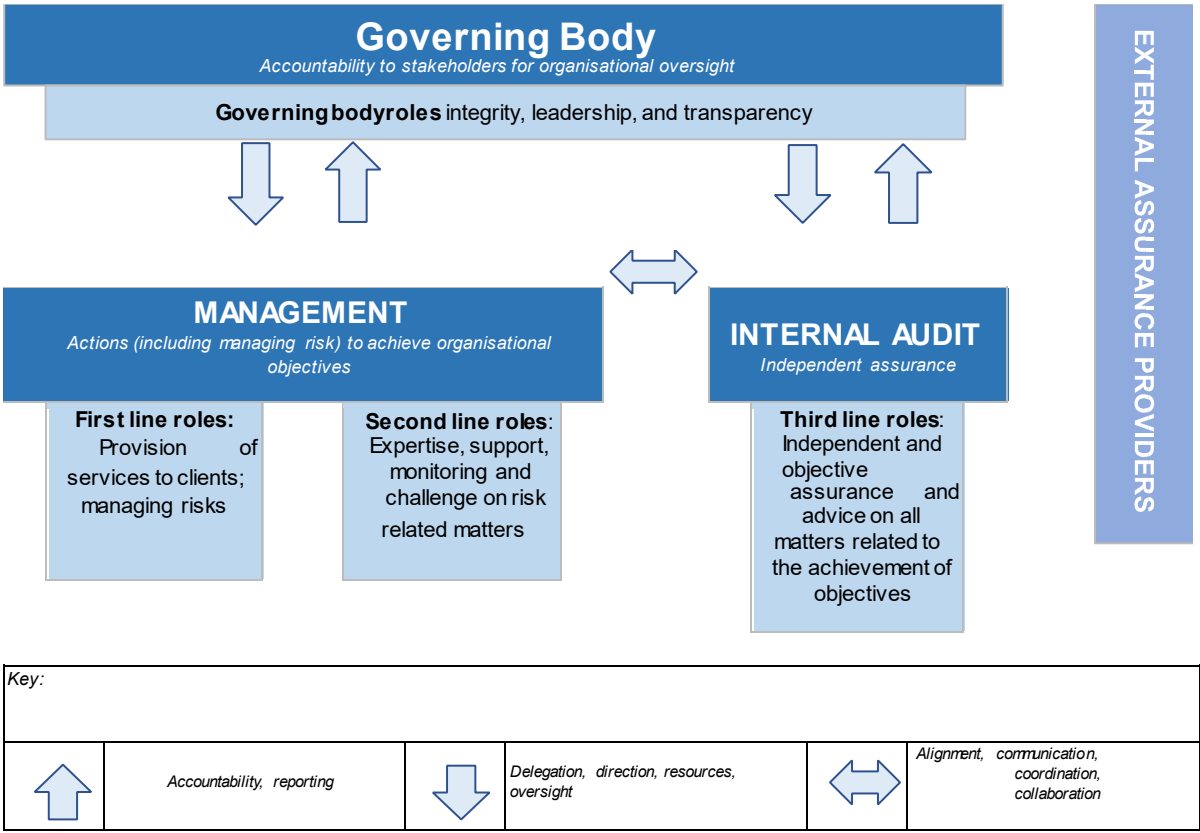
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| <p>(F) Managing risks and performance through robust internal control and strong public financial management</p> | <p>Risk Management Framework</p> <p>Performance Monitoring Framework</p> <ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring <p>Corporate Complaints Procedure</p> <p>Benchmarking and research</p> <p>Overview and Scrutiny Committee/s</p> <p>Internal Audit Charter operating to Public Sector Internal Audit Standards (PSIAS)</p> <p>Risk-Based Annual Audit Plan and Key Assurance Work</p> <p>Chief Auditors Annual Report</p> <p>Anti-Fraud and Corruption Policy</p> <p>Whistleblowing Policy</p> <p>Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption</p> <p>Annual Governance Statement</p> <p>Audit & Governance Committee</p> <p>Information Governance Accountability Framework</p> <p>Medium Term Financial Plan process</p> <p>Financial Regulations</p> <p>Regular scrutiny of financial monitoring reports by Councillors and Officers</p> <p>Corporate Strategy & Delivery Plan</p> <p>Treasury Management Strategy</p> <p>Decision making process for Committees and Members</p> <p>Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)</p> <p>Record of Officer decisions</p> |
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| | Equality Impact Assessment (EIA) Panels and EIA processes |
| | Record of Chief Executive's Delegated Authority decisions |
| | Corporate and HR policies and procedures |
| | Health & Safety Policy / Fire Safety Policy and associated governance (including H&S Board, Safety Supporters Forum and Service and Team based meetings) |
| | Emergency planning and resilience arrangements (corporate) |
| | Compliance with the Statement of the Role of the Chief Financial Officer in Local Government |
| | Procurement and Contracts Board |

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| (G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability | <p>Multi-channel public communications, including: email newsletters, BCP website, magazines, Facebook and X</p> <p>Proactive publication and reporting</p> <p>Local Government Transparency Code 2015</p> <p>Responses to Freedom of Information and Subject Access Requests</p> <p>Annual Financial Statements</p> <p>External audit reports: Audit Findings Report, Annual Audit Letter and Certification Report</p> <p>External reviews, including Ofsted and Peer Reviews</p> <p>Annual Governance Statement</p> <p>Internal Audit Function operating to the Global Internal Audit Standards (GIAS)</p> <p>Risk-Based Annual Audit Plan and Key Assurance Work</p> <p>Internal Audit recommendation implementation reported to Audit & Governance Committee</p> <p>Compliance with CIPFA's Statement on the Role of the Head of Internal Audit</p> <p>Partnership Registers / Partnership Agreements</p> |
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6. How BCP ensures Good Governance is delivered in practice

6.1 The Three Lines model is widely recognised across both the public and private sectors as a best practice approach to implementing effective risk management and corporate governance. It is designed to provide organisations with resilience in these areas, with each Line complementing the others, as summarised below:



First Line: The First Line is responsible for the implementation of risk management and governance processes within the organisation. In BCP this is the responsibility of Management of all levels across all Services in the organisation.

Second Line: The Second Line is responsible for the provision of advice, guidance and policy in support of risk management and governance processes. This Line is also responsible for monitoring compliance with risk and governance requirements by services in the First Line. Typically, this role is fulfilled by corporate functions with defined governance and policy remits, for example:

- Emergency Planning
- Health and Safety
- Human Resources
- Information Governance
- Procurement
- Risk Management

Where there is no clear corporate function with responsibility for compliance, Corporate Management Board will pragmatically determine the need for this and who will act as the Second Line in a proportionate response to the scope and remit of the function.

Third Line: The Third Line is responsible for providing independent assurance to Senior Management and Members on the effectiveness of the first two lines. In BCP this is the responsibility of the Internal Audit Service.

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AUDIT AND GOVERNANCE COMMITTEE

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| Report subject | Forward Plan (refresh) |
| Meeting date | 24 July 2025 |
| Status | Public Report |
| Executive summary | 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. |
| Recommendations | <p>It is RECOMMENDED that:</p> <p>The Audit & Governance Committee approves the 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. The 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 – Forward Plan 2025/26

Audit & Governance Committee – Forward Plan 2025/26

| REPORT | 29 MAY 2025 (extra) | 24 JUL 2025 | 18 AUG 2025 (extra) | 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 2025/26 (<i>1 Audit Plan 24/25</i>) | ✓ ₁ | | | | | | | | ✓ |
| External Auditor – Audit Findings Report 2024/25 | | | | | ✓ | | | | |
| External Auditor – Auditor's Annual Report 2024/25 | | | | ✓ | | | | | |
| External Auditor – Audit Progress & Sector Update | | | | ✓ | | | ✓ | | ✓ |
| ANNUAL REPORTS | | | | | | | | | |
| Statement of Accounts 2024/25 | | | | | ✓ | | | | |
| Draft Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance (<i>2 update on Action Plan only</i>) | | ✓ | | | | | ✓ ₂ | | |
| Chief Internal Auditor's Annual Opinion Report 2024/25 | | ✓ | | | | | | | |
| Annual Breaches of Financial Regulations Report & Procurement Decision Records (PDRs) 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 | | ✓ | | | | | | | |
| Local Government and Social Care Ombudsman Annual Report 2024/25 | | ✓ | | | | | | | |
| 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 | | ✓ | | | ✓ | | ✓ | | |
| Procurement and Contract Management Strategy Delivery Plan (6-monthly progress report) | | | | | ✓ | | | | ✓ |
| OTHER REPORTS OR TRAINING PRESENTATIONS (These items maybe deeper dive presentations rather than formal reports, as agreed by the Chair) | | | | | | | | | |
| BCP FuturePlaces Investigation (<i>3 Scope</i>) (<i>4 Interim Report</i>) | ✓ ₃ | | ✓ ₄ | ✓ | | | | | |
| Internal Audit Planning Process (<i>5 Response to queries</i>) (<i>6 Detailed explanation/deep dive</i>) | ✓ ₅ | | | ✓ ₆ | | | | | |
| Carter's Quay update | | ✓ | | | | | | | |
| Poole Museum Borrowing | | ✓ | | | | | | | |
| Governance and processes of Regeneration projects (with a focus on Carter Quay) | | | | | | ✓ exact meeting to be determined | | | |

