

Notice of Audit and Governance Committee



Date: Thursday, 19 March 2026 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 S Bartlett
Cllr J Beesley

Cllr M Phipps
Cllr V Slade
Cllr M Tarling

Cllr T Trent

Independent persons:

Lindy Jansen-VanVuuren

Samantha Acton

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

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

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5987>

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

AIDAN DUNN
CHIEF EXECUTIVE

11 March 2026

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

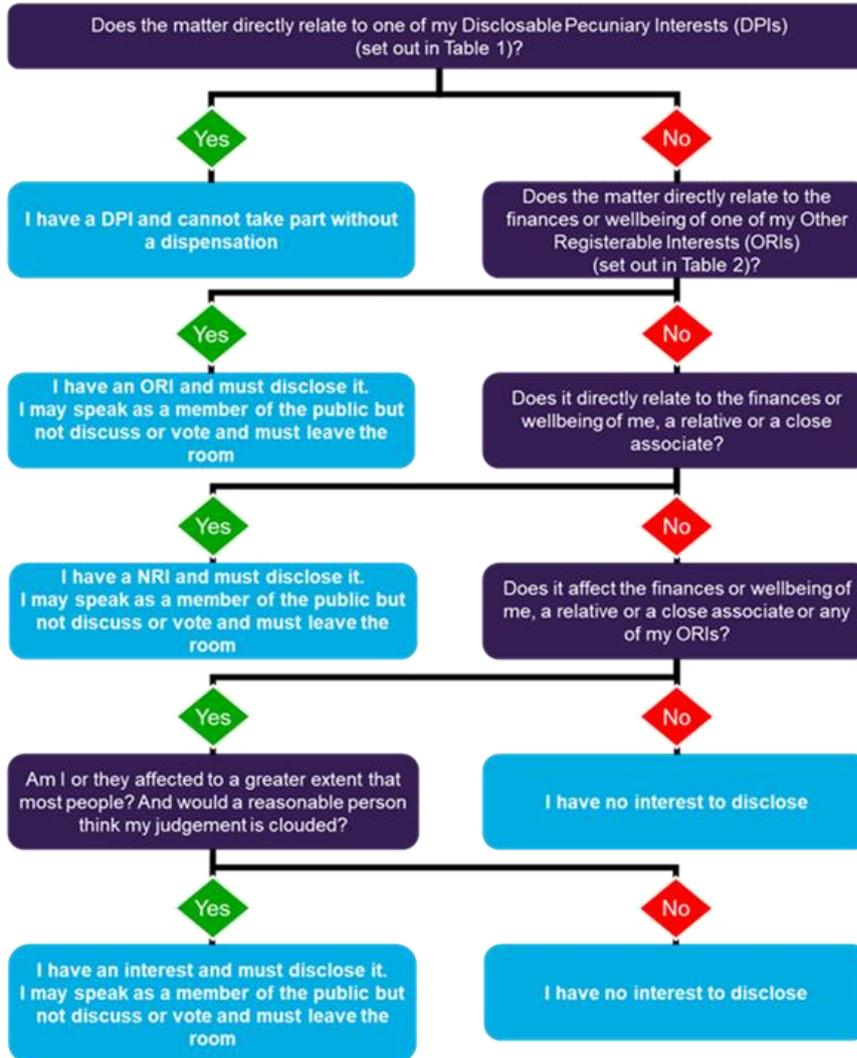


Maintaining and promoting high standards of conduct

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

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

7 - 20

To confirm and sign as a correct record the minutes of the meeting held on 26 February 2026.

a) **Action Sheet**

21 - 28

To consider any outstanding actions from previous meetings.

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 13 March 2026 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 18 March 2026 [midday the working day before the meeting].

The deadline for the submission of a petition is Thursday 5 March 2026 [10 working days before the meeting].

ITEMS OF BUSINESS

6. External Audit – Auditor's Annual Report 2024/25 Final

29 - 78

The External Auditor, Grant Thornton for BCP Council, is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness its use of resources.

Auditors are 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.

The Final 2024/25 Annual Report is attached at Appendix A, following the interim version presented to this committee on 27 November 2025. The findings are unchanged and provided for information.

Criteria	2024/25 Assessment of arrangements	
Financial sustainability	R	We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.
Governance	A	No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.
Improving economy, efficiency and effectiveness	R	One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to 'Good', so our previous key recommendation has been addressed.

Two key recommendations have been raised in relation to the cumulative DSG deficit and the statutory direction in relation to SEND.

A further four improvement recommendations have been made. The Council has provided the External Auditor with management responses to all of the recommendations.

7. External Auditor – Audit Plan 2025/26

79 - 118

The attached report at Appendix A sets out the work that the Council’s External Auditor, Grant Thornton, plans to undertake for the audit of the Council’s Statement of Accounts in respect of 2025/26.

The External Auditor plans to give an opinion on whether the accounts give a true and fair view and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

8. Procurement and Contract Management Strategy Delivery Plan (6-monthly progress report)

119 - 126

Section 5.4. of BCP’s Procurement & Contract Management Strategy 2024 – 2028 describes a Delivery Plan approved by the Procurement and

Contracts Board with progress reported to Audit and Governance at 6-month intervals.

This report provides Audit & Governance Committee with an update on progress made in delivering the 57 commitments described within BCP's Procurement and Contract Management Strategy 2024 - 2028.

Additionally, this report provides Audit & Governance Committee with performance monitoring indicators for the nine measures described within Section 5.5 of BCP's Procurement & Contract Management Strategy 2024 – 2028.

9. Risk Management - Corporate Risk Register Update 127 - 214

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

- CR08 – We may fail to run a fair and open election/referendum. This risk has been added during this quarter.
- No risks have been removed or de-escalated during the quarter.
- Material updates for this quarter are outlined in section 13.

10. Internal Audit - Audit Charter & Audit Plan 2026/27 215 - 286

This report sets out the Internal Audit Charter and the Audit Plan for 2026/27. Approval of these documents by the Audit & Governance Committee is a requirement of the Global Internal Audit Standards (GIAS).

Some minor amendments have been made to the Internal Audit Charter (Appendix A) which includes an updated Internal Audit Strategy and an updated Data Analytics Strategy.

The final Internal Audit Plan for 2026/27 has been produced which includes some very minor amendments from the version provided to the Audit & Governance Committee in January 2025 alongside further details on how the resource will be allocated as described in the Core Audit Plan 2026/27 (Appendix B), Provisional audits for 2026/27 (Appendix C) and the Anti-Fraud & Corruption Plan 2026/27 (Appendix E).

The proposed 2026/27 Internal Audit Plan approach has been designed to enable the Head of Internal Audit to provide an annual conclusion on the Councils' governance, risk management and control arrangements as required by the GIAS.

The allocated budget resource for 2026/27 is considered adequate to deliver the Internal Audit Charter and Audit Plan for 2026/27.

11. Internal Audit - Quarterly Audit Plan Update 287 - 302

This report details progress made on delivery of the 2025/26 Audit Plan for the first two months of the 4th quarter (January and February 2026). Due to Committee cycle, the update for March will be included in the 2026/27 Quarter 1 report. This report highlights that:

- 17 audit assignments have been finalised, including one 'Partial' audit opinions;
- 25 audit assignments are in progress, including 6 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;
- Five high priority recommendations have not been fully implemented by the original target date or agreed revised date. Explanation has been received from the relevant Directors as to why these have not been completed.

12. Two Riversmeet Studios

303 - 356

The report provides additional information requested from Audit & Governance Committee regarding the financial considerations for capital borrowing to fund a two-storey extension to Two Riversmeet Leisure Centre (2RM) to address the identified need for dedicated studio space in Christchurch. The investment aims to enhance the centres health, fitness and cultural offer, increase membership and income whilst supporting community wellbeing and aligning with the Council's corporate strategy.

NOTE: In relation to this item of business, the Committee is asked to consider the following resolution in relation to any discussion on exempt appendix 2, 3, 5, 8, and/or 9 to the report:

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

13. Appointment of Independent Members

To receive a verbal update.

14. Forward Plan - Indicative for the 2026/27 municipal year

357 - 360

This report sets out the indicative list of reports to be considered by the Audit & Governance Committee for the 2026/27 municipal year in order to enable it to fulfil its terms of reference.

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

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 26 February 2026 at 6.00 pm

Present:-

Cllr E Connolly – Chair

Cllr M Andrews – Vice-Chair

Present: Cllr S Bartlett, Cllr S Bull (In place of Cllr S Armstrong), Cllr V Slade,
Cllr M Tarling, Cllr T Trent, Jansen-VanVuuren and Samantha Acton

Present
virtually: Cllr J Beesley

Also in
attendance: Cllr R Herrett (Portfolio Holder for Destination, Leisure and
Commercial Operations)

93. Apologies

Apologies were received from Cllr S Armstrong, Cllr M Phipps and Cllr M Cox (Portfolio Holder for Finance).

94. Substitute Members

Notification was received that Cllr S Bull was substituting for Cllr S Armstrong for this meeting.

95. Adam Richens, Chief Financial Officer

The Chair reported that this was the Chief Financial Officer, Adam Richens' last Audit and Governance Committee meeting before leaving BCP Council after forty years' service to the Council and the preceding Borough of Poole and Dorset County Council. On behalf of Members she thanked Mr Richens for his support to the Committee in particular his clarity of explanation which would be much missed.

96. Declarations of Interests

There were no declarations of interest.

97. Confirmation of Minutes

The minutes of the meeting held on 15 January 2026 were agreed as an accurate record for the Chair to sign.

Voting: Unanimous

98. Action Sheet

The completed actions on the action sheet were noted.

A Member commented on the lack of mechanism to follow up on actions implied in public statements. The Chair explained that these were matters which the Constitution Review Working Group were due to look at and that the Member (Cllr S Bartlett) could be invited to a Group meeting to discuss further. It was also noted that the Forward Plan was due to be considered at the next committee.

The Chair reported that the agenda item on councillors training had been rescheduled to 28 May 2026. She would provide feedback to the committee at the next meeting on 19 March 2026 on the outcome of discussions on corporate risks associated with children's services.

99. Public Issues

The following public questions and statements were received:

Agenda Item 6 – External Audit Finding Report and Statement of Accounts 2024/25

Question 1 from Mr Philip Gatrell:

CREDITORS

My 24 July 2025 Question to this Committee and 10 February 2026 Statement to Full Council refer, concerning Council's failed judicial review when the decision upheld an Ombudsman's Report regarding injustice caused to a complainant.

I was informed that because the Ombudsman's legal costs were under negotiation they were not adjusted as a creditor in the 2024/25 draft Accounts. This does not conform with the accounting tenet of "prudence" where audit concepts of monetary "materiality" are not the criteria.

Subsequently £80,000 in Ombudsman's costs was confirmed and that amount is included in a notified £214,722 borne by the Council as recorded in my February 10 Statement; excluding £2,489 estimated childcare charges and £200 for "time and trouble" reimbursable to the claimant.

What is –

- The final total cost to the Council regarding this matter and
- how much of the amount owing at 31 March 2025 has not been adjusted as a Creditor in the revised 2024/25 Accounts?

Response:

The final cost to the council was £81,759.10, with this all charged to the 2025/26 financial year.

Question 2 from Mr Philip Gatrell:

The 'Oracle Fusion' accounting system is not fully functional. Shortfalls - including human operational - unquestionably exist evidenced by information received by me as indicated in previous public issues.

A fixed assets module was previously added to integrate double entry control in place of vulnerable spreadsheets.

The external auditor's documented experience with another client discloses major problems with Fusion modules. Including for example certain fixed assets movements and their dis-synchronicity in accounting years likewise reflected at this Council.

QUESTIONS:

- Which accounting modules have not been fully implemented ?
- Which specific fixed assets types remain reliant on spreadsheet records ?
- Has a reconciled Revenue and Benefits accounting migration to the single 'Capita Cloud' database been completed ?
- For which future periods have cashflow forecasts been prepared and are they reconciled with all revenue and capital projections for income and expenditure commencing with the latest annual accounting base ?
- Which financial information is generated by 'Dynamics 365' ?

Response:

For clarification the Council went live with Microsoft Dynamic 365 as its Finance and HR system supplier in April 2023, having previously utilised Oracle Fusion.

1. There are currently 33 modules available across the Finance and HR system. The majority of these modules have not been implemented as they are not applicable for a public sector organisation. As an example, stock management.
2. All fixed assets remain on spreadsheet records.
3. Yes, an accounting reconciliation was carried out for the new revenue and benefits system.
4. Cash flow forecasts are produced on a rolling 12-month basis, which are updated and reconciled daily for the latest actuals position.
5. Dynamics 365 is used for the general ledger, accounts payable and accounts receivable but in a limited form.

Agenda Item 10 – Financial Regulations: Annual Evolution for the year 2026/27

Question from Mr Ian Redman:

Financial Regulations exist to safeguard public funds. When they are breached, what formal accountability mechanisms are triggered? Further,

can the Council confirm whether any senior officers have been subject to those mechanisms in the past three years?

For example:

- The Regulations require any proposed Concession Contract, regardless of value, to be agreed with and managed by PCM. In 2025, a concession at Hengistbury Head Visitor Centre was arranged solely by the Parks Team without contacting PCM.
- In the Smart Growth Associates case, a purchase order for £18,500 was approved by a senior officer without a Procurement Decision Record. There appears to be no record explaining why Smart Growth Associates were selected.

In these cases, does the Council consider that the Financial Regulations were breached? If not, please explain the basis for that conclusion. If they constitute breaches, what reporting mechanisms apply, and who was responsible for reporting them?

Response:

Paragraph 4 of Part G, page 5-34 of financial regulations states the specific regulation relevant to breaches. This includes the following key points:

- A breach of the regulations may lead to disciplinary action
- Service Directors and managers are responsible for reporting any breaches known or discovered as they become aware of such instances
- The Chief Finance Officer is responsible for providing an annual report to the A&G committee on all identified breaches, which must include the circumstances of the breach and the remedial action taken (or planned) by way of remedy.

With regard to the first example provided in the question, you made a specific complaint which has been responded to by the relevant service area, this included a stage 2 Service Director review. You set out a series of detailed and specific questions, responses were provided detailing why in the opinion of the Service, requirements within the Financial Regulations were followed. The service recognise you disagree with what has been provided and note your intention to pass your complaint to the local government ombudsman.

With regard to the second example provided in the question, this procurement occurred in 2021, the Council has been unable to subsequently locate a Procurement Decision Record (PDR) which was a requirement of Financial Regulations at the time. A breach may have therefore occurred. Having been identified in the 2025/26 financial year, during the FuturePlaces investigation, this will be reported in the 2025/26 Annual Breach Report to A&G committee which is scheduled to be received in July 2026. The Head of Procurement has subsequently revised the PDR storage and filing arrangements, to what existed at the time of this example.

Agenda Item 7 – Artificial Intelligence – Governance and Risk Management

Statement 1 from Ian Redman:

AI Use in Reviewing Procurement Decision Records

A review of PDR476 (Define/Procure) and PDR758 (Award) illustrates how AI could strengthen decision making.

In PDR476, three services (Christmas Lights, Market and Ice Rink) were bundled without a documented options appraisal comparing aggregated and separate contracts. The “Savings/Income Opportunities” section is blank, no justification is provided for not dividing the contract into lots, and financial modelling to evidence the claimed £100k MTFP saving is absent. In PDR758, evaluation was conducted on a quality-only basis, with no financial scoring, despite the concession model relying on income generation. The business case for aggregation is not restated or evidenced at award stage.

AI review tools could systematically flag missing options analysis, unsupported financial assumptions, absence of lot-division justification, and misalignment between evaluation methodology and commercial model, thereby improving transparency, strengthening assurance, and enhancing the robustness and defensibility of procurement decisions.

Statement 2 from Ian Redman:

This list is AI-generated from the transcript of this Committee’s March 2022 meeting on FuturePlaces:

- Weak governance clarity – Uncertainty over shareholder control, reserved matters and democratic oversight.
- Insufficient financial risk modelling – Concerns about borrowing exposure, public liability and lack of stress-testing.
- Limited scrutiny mechanisms – Questions about how councillors would monitor performance and ensure transparency.
- Capacity and expertise gaps – Doubts about whether the Council had the commercial skills and controls to oversee a vehicle of this scale.
- Evolving governance structures – Key frameworks were still developing during rollout.
- Ambiguity in the stewardship model – Unclear translation of concept into accountable delivery.

Concerns about governance, financial exposure and oversight were clearly raised. Where warnings are not fully addressed and acted upon, the consequence can be substantial financial loss and reputational damage, including outcomes involving the loss of millions. AI analysis can highlight recurring risks, but effective governance depends on decision-makers responding to those warnings.

Agenda Item 6 – External Audit Finding Report and Statement of Accounts 2024/25

Statement 1 from Philip Gatrell:

SIGNIFICANT ERRORS AND OMISSIONS
IN THE 2024/25 EXTERNAL AUDIT FINDINGS
AND STATEMENT OF ACCOUNTS

Initial observations:

- Regarding my public issues for this Committee on 15th January 2026, and contrary to the external auditor's introduction commencing approximately 18 minutes into that meeting, the updated Findings Report today omits recording Council's materially misstated net bank overdraft in now amended draft Accounts note 16.
- Despite my earlier communications regarding 2019/20 onwards, Members' Allowances in 2024/25 finalised Accounts note 24 incorrectly include Employer's National Insurance resulting in a £105,313 (7%) overstatement. Similarly for 2023/24. This is an error type originally acknowledged after a previous year's internal "forensic examination" triggered by my notification of significant misstatements in certain individual Members' Allowance payments. The error has been overlooked by the external auditor although within the "Sensitivity to public interest and reader of the accounts" qualitative materiality reporting requirement.
- Statements to follow identify further material Accounts and audit concerns.

Statement 2 from Philip Gatrell:

OMISSIONS FROM THE 2024/25 ACCOUNTS
AND EXTERNAL AUDITOR'S REPORTING

THE RUSSELL - COTES CHARITY

The Charity's 2024/25 audited Accounts are overdue for filing with the Charity Commission. This arises from the Management Committee's documented proper dissatisfaction with the draft Accounts regarding the Charity auditor's "outstanding queries being resolved".

The core issue is the Charity's transition to "Independence" under a Scheme where the timing of enabling funding has been delayed by the Council.

Neither the Council's notes on Accounts page 113 nor auditor's reporting make reference to this material concern which also reflects Council's openly acknowledged stretched financial resources.

SYSTEM AND CONTROL WEAKNESSES

The Independent Auditors' Report contains a disclaimer of opinion due to uncertainty regarding opening balances. That does not obviate system /

control evaluations, in - year transactional and substantive balance sheet testing.

Consequently, the absence of audit report references to demonstrable weaknesses identified in my previous public issues is profoundly concerning.

Statement 3 from Philip Gatrell:

FURTHER 2024/25 MATTERS INCLUDE:

“2014 ACT”

Contraventions of this incontestable legislation are documented in my earlier issues, likewise Council’s untimely 2024/25 response to me.

Concerning the external audit report page 132 reference to no action regarding my Section 27 Objection:

- Firstly, my unresponded Questions all raised in time are not voided or irrelevant.
- The page 132 fait accompli late response is contrary to the National Audit Office Code. Nor can it be assumed I would not have exercised Section 28(3) rights in appropriate time prior to audit conclusion.
- I also refer to the fiduciary nature not monetary amount of “Deputyship” funds held per my 15 January 2026 issue #2.

ANNUAL GOVERNANCE STATEMENT

This Committee not the auditor is the decision maker regarding qualifying contents. Unreported “significant issues” include:

- Notified system and control weaknesses
- Continuing Freedom of Information response failures
- Ombudsman’s Report and failed Transparency considerations in my 10th February 2026 Full Council issue

100. Two Riversmeet Studios

The Chair amended the order of business on the agenda to take this item first.

The Portfolio Holder for Destination, Leisure and Commercial Operations provided an update on the report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

The Portfolio Holder asked the Committee to consider deferring this item until the next meeting on 19 March. Cllr M Tarling had been invited to provide feedback on the report following its publication. Although officers were able to respond verbally to the questions he had raised, it was felt best to answer these in writing as part of the report. Members noted that

the amended timescale would still enable the Committee to consider the report before it was presented to full Council on 24 March. Members commented on the need to focus discussion on areas within the committee's remit, including finance, governance and risk management.

It was agreed that any further questions be sent to the Chair for her to forward to the relevant officers to include the information in the report.

RESOLVED to DEFER until the next meeting on 19 March 2026.

Voting: Agreed with no dissent

101. External Audit Finding Report and Statement of Accounts 2024/25

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

At its last meeting the Committee had delegated approval to the sign off the statement of accounts 2024/25 subject to there being no material changes. As a material change had subsequently been identified within the Council's group accounts as part of the income and expenditure statement, the final external audit finding report, a revised letter of representation and the final statement of accounts 2024/25 were now resubmitted to the Committee for approval. The EA provided a comprehensive summary of the changes. These were highlighted as amended text in the audit findings report for ease of reference. Members were assured that the changes were due to a simple administrative error and had no overall impact. The EA gave an update on the audit fee which had been adjusted down to £533,367. The EA clarified that the public objection received was still under consideration. The Assistant CFO referred to the supplementary papers which gave an update on the changes required to the statement of accounts and provided a revised set of accounts for approval. He confirmed that these were presentational changes and did not affect the financial standing of the Council.

The EA representatives and Assistant CFO responded to questions and comments on the report, including:

- That the EA took a risk-based approach when selecting which assets to test rather than a random sample.
- If further discussion was required around the IT findings report and management response, Members could add an item to the forward plan, noting this would need to be in exempt session.
- The EA prioritised the completion of pension fund audits at an earlier stage. This did sometimes depend on the receipt of information from other parties. The EA was committed to completing audits within required timescales.

- £4.2 million provision for the Winter Gardens was required to be set aside as a liability pending a decision on the future of the project.
- The majority of dividends referred to in the cash flow statement for operating activities were from BBML.

Members commented on the number of officer remuneration exit packages at the higher end of the cost band in 2024/25 and 2023/25. It was explained that the process by which exit packages were authorised depended on the threshold involved. The numbers were not dissimilar to other local authorities or organisations and may reflect organisational change resulting from the Transformation programme. It was agreed to ask the Head of People and Culture to circulate to committee members details of the six exit packages for the £200,001 cost band and above for 2024/25.

RESOLVED that the Committee:

(a) Notes the audit opinion and findings of the Council’s External Auditor included as Appendix 1 to this report, following the audit of accounts 2024/25;

(b) Approves the final 2024/25 financial statement included at Appendix 3

(c) Approves the signing of the Statement of Responsibilities and the Letter of Representation by the Chair of the Audit & Governance Committee and the S151 Officer.

Voting: For – 6, Against – 0, Abstain – 1

102. Artificial Intelligence (AI) - Governance and Risk Management

The Head of IT Infrastructure gave a detailed presentation on the Council’s approach to the governance and risk management of Artificial intelligence (AI). A copy of the presentation had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

In summary the presentation explained why the Council needed AI Governance and outlined the AI use case assessment framework, including how desirability, viability and feasibility were considered. It set out the AI procurement checklist associated with the use case assessment framework before purchase. It also covered the role of senior leadership in approving/rejecting the use of tools and in providing strategic oversight and approving funding. The presentation highlighted the current AI initiatives used by the Council and their associated benefits.

The Director of IT and Programmes and the Head of IT Infrastructure responded to questions and comments. They explained that the Council had received widespread recognition for adopting a considered approach to the use of AI and ensuring that governance and controls were developed from the outset. At present this framework was managed through the Corporate Management Board (CMB) but was under continuous development. Guidelines had been issued to employees on the seven rules for using AI responsibly. One of the main AI initiatives, Microsoft CoPilot,

had been approved for use due to its ensured data compliance and security. CoPilot was a multi-purpose enabling tool available to all employees at no extra cost. Access to the premium version for which there was a fee was limited and its use closely assessed. Another tool, MagicNotes, was adding value to adult social care work.

Members asked about the potential risks if AI was not used responsibly. The Officers explained the role of the digital adoption team and how training and guidance for employees was being embedded. The Council had taken proactive steps to promote CoPilot and the seven rules as a way of discouraging the use of unauthorised tools for work on personal devices. The importance of human judgement in using AI was included in the framework and there was clear messaging around taking responsibility for your work ('read it, edit it, own it'). In terms of hosting, all providers were required to meet cybersecurity standards and all data was hosted in the UK. The IT team monitored AI regulations to ensure compliance and shared information and best practice with sector specific groups and other councils.

Members asked about measuring the benefits of AI and whether there were sufficient finances to support further development. The Officers explained that KPIs would be developed as part of the next phase using quantitative and qualitative feedback and metrics were available to measure. Funding approval was currently controlled by CMB but the need for investment was clear. Members were advised that a continuous improvement and innovation programme was being developed, focussing on invest to save use cases which would help inform business cases. It was noted that the overall aim was to move eventually to a 'build not buy' mentality.

Other comments included potential efficiencies in Planning and the use of other AI tools such as Claude. On the environmental impact on net zero targets, this was included in the framework, was monitored and it was noted that Microsoft was committed in its carbon buyback credentials. A Member also asked about action to speed up blue badge applications. It was explained that this was not just about IT, it raised wider questions around scrutiny of process and was being addressed by a specialist team.

Committee members considered whether there was a need at this stage to recommend to Cabinet the development of a governance and risk management policy but following discussion agreed this was a little premature. Members were interested in how the use case assessment and ongoing monitoring would be embedded at departmental level into the three lines of assurance and how tools would be registered and benchmarked. It was noted that learning continued to evolve as the pace of technology developed.

The Chair thanked the officers for their presentation and the Committee requested an update on progress in around six months including the development of a governance and risk management policy.

103. Risk Management Policy

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

This report introduced the Council's new Risk Management Policy, included at Appendix 1. The existing policy had been reviewed to refresh and strengthen the Council's framework for the identification, measurement, management, monitoring and reporting on risk. Whilst the policy principles had not been subject to significant change, the new policy included the plan to implement Enterprise Risk Management to reflect the aspiration to continue to develop the risk management discipline. The new policy set out how risks would be reported including future reporting to the Committee. It was noted that work would be ongoing to refine the policy over the next twelve months, including the alignment of underlying risks, consideration of approach to risk appetite and further development of the risk app. The Risk and Insurance Manager suggested that Members may wish to use a non core meeting to consider in more detail the implementation of the policy, the risk framework and reporting arrangements to the committee.

Members thanked the Risk and Insurance Manager for the excellent work in developing a new approach. Comments included:

- That addressing risk appetite may require input from departments as it would vary across the Council.
- It may be helpful to reflect examples in the Orange book to assist users in rating risks correctly and in reviewing the list of enterprise risks, e.g. to include information security.
- The risk identification list did not necessarily match the enterprise risks
- It may be helpful to provide a more specific definition of 'harm'

The Risk and Insurance Manager confirmed that a risk appetite exercise was being done and that risk categories would allow more refinement to analyse specific risks. It was noted that the policy would be refined over the next 12 months and further guidance and clarity provided. Members agreed that it would be helpful for them to discuss the committee's reporting arrangements under the new policy and understand how issues which crossed over multiple risks were managed.

The Chair agreed to raise awareness of the new policy at the Overview and Scrutiny Chair's meeting.

RESOLVED that Members of the Audit and Governance Committee:

- 1. Note and support the new policy as included as Appendix 1 - BCP Risk Management Policy as part of the continuing development of risk management at the council.**
- 2. Support the proposed approach to adjust and refine the policy over the next 12 months with regular updates to this Committee on changes and further developments.**

3. Note the reporting of risk to the Committee proposed in paragraphs 15 and 16.

Voting: Agreed with no dissent

104. Financial Regulations - Annual evolution for the financial year 2026/27

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 'E' to these Minutes in the Minute Book.

Members were reminded that the Committee had adopted an annual evolutionary approach for keeping policies within its remit up to date. This enabled policies to be fit for purpose, responsive to legislative changes and able to incorporate local amendments as required. The changes shown in red text remained in the documents so that changes were clearly identifiable. Staff would be reminded of the policies and made aware of the changes with the updated versions published on the website and intranet. The Committee received specific update reports later in the year on the use and effectiveness of the policies.

As the Financial Regulations formed Part 5 of the Council's Constitution the evolutionary changes would be submitted to Council on 24 March 2026 for adoption. The HAMA reported that no material changes had been made to Part A to F, and H, and the Appendices of the Financial Regulations. Some very minor changes had been made in the glossary of terms. He asked Members to note paragraph 9 of the report which responded to a recommendation associated with the Future Places investigation. A small typo in paragraph 28B of the Regulations would also be amended to remove the word 'that'.

More substantial changes were made last year to reflect procurement regulations reform. The Head of Procurement and Contract Management provided a comprehensive summary of the changes this year. It was noted that in some cases throughout Part G there had been a need to refine wording to address inconsistencies between what was in the procurement regulations and what was in the Financial Regulations and make certain areas more explicit so as to remove any ambiguity

The Chair thanked the officers for the clarity of approach.

RECOMMENDED TO COUNCIL the adoption of the Financial Regulations as shown in Appendix A and approved by the Audit and Governance Committee. The operation go live date to be 1 April 2026

Voting: Unanimous

105. Annual Evolution (for the 2026/27 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act

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 'F' to these Minutes in the Minute Book.

Members were referred to the second paragraph in the minute on the Financial Regulations report for an explanation of the annual evolutionary approach for keeping policies within its remit up to date. An annual review of the following Council policies had taken place to ensure they were updated in line with best practice and legislation. The main changes were set out in the report. The HAMA highlighted a number of specific points as follows:

- Anti-Fraud & Corruption Policy: this now included an updated Chief Executive statement, demonstrating commitment at the highest level.
- Whistleblowing Policy: this now included a Stage 3 decision record template which reflected good practice and was useful for tribunals. From 6 April 2026, legislative changes required the inclusion of sexual harassment under certain circumstances as a qualifying disclosure.
- Declaration of Interests, Gifts & Hospitality Policy (for Officers): of the policies reviewed, this policy had been strengthened the most. It included additional guidance on declaring 'other employment' in response to the growing national fraud threat of 'polygamist' working
- Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy: this had been updated to include links to associated BCP Council strategies and policies.

The HAMA responded to a question about the definition of a polygamous worker and what was/wasn't permitted. Additional guidance in the policy stipulated that employees were required to declare details of other employment, full or part time, and should not work for anyone else without prior approval. The aim being that employees were not working excessive hours to the detriment of the Council.

RESOLVED that the Committee approves the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and the Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy for the 2026/27 financial year.

Voting: Unanimous

106. Appointment of Independent Persons

The Head of Audit and Management Assurance provided a verbal update on the process for appointing Independent Persons (IPs) to the Committee.

The process would be the same as that followed when appointing the current IPs, Samantha Acton and Lindy Jansen VanVuuren, whose terms were due to finish at the end of March 2026. The advertisement inviting expressions of interest was now live on the Council's website and would be

promoted on social media. After the closing date of 14 March a panel of committee members would be convened interview prospective candidates.

The meeting ended at 8.55 pm

CHAIR

Minute no	Item	Action Items remain until action complete	Who	Outcome
Meeting date: 26 February 2026 (non-core meeting)				
97	Action Sheet	Invite Cllr Bartlett to relevant meeting of Constitution Review Working Group	Chair / DS	
99	Two Riversmeet Studio	Members to email any questions on report to Chair for collation and forwarding to officers	Chair and committee members	
100	External Audit Finding report and SoA 2024/25	Consider adding an item to the Forward Plan on cybersecurity	Committee	
		Request Head of People and Culture to circulate to committee members details of six exit packages for the £200,001 cost band and above 2024/25	CFO / Asst CFO	
101	Artificial Intelligence – Governance and Risk Management	Request update in six months including update on development of governance and risk management policy	Director of IT & Programmes/ Head of IT Infrastructure	Complete - added to Forward Plan for non-core committee in November26.
102	Risk Management Policy	Raise awareness of new Risk Management Policy with Overview and Scrutiny Chairs	Chair	
Meeting date: 15 January 2026 (Core meeting)				
84	Fire Safety Annual Update	Provide follow up response on number of formal meetings with COO since appointment <i>Response: As Fire Safety Service Manager, I meet regularly, most often weekly, with the Head of Facilities Management, during which fire safety matters, emerging issues, and</i>	Fire Safety Service manager	Complete – see response in middle column below the action.

Minute no	Item	Action Items remain until action complete	Who	Outcome
		<p><i>ongoing risks are routinely discussed. Where appropriate, these updates are escalated to the Director of Customer & Property Operations through our established reporting arrangements and periodic review meetings.</i></p> <p><i>Matters requiring broader organisational visibility, strategic direction, or senior decision-making are then escalated to the Chief Operating Officer (COO). In circumstances where an issue requires more urgent engagement or presents a need for immediate senior oversight, this is brought directly to the COO without delay.</i></p>		
Meeting date: 3 December 2025 (Additional meeting) - Draft BCP FuturePlaces Investigation Report (Scope Items 1 to 8)				
74	Scope 6. Council oversight of BCP FuturePlaces Ltd	6.1 Officers to seek clarification on the circumstances when draft documents are / are not exempt from FOI requests	MO	Shared with Joshua Darbo – IG to give guidance and wording
		6.4.11 - 6.4.13 Add to Forward Plan an update on the progress of shareholder governance arrangements and lessons learnt, following on from 2 October 2024 Cabinet update report on Council Owned Companies Shareholder Governance Review	HAMA / MO	Complete - added to Forward Plan for 3 Sept 26 (non-core meeting)
	Scope 8. Lesson Learnt Update	Same as 6.4.11 - 6.4.13 above		Complete - added to Forward Plan for 3 Sept 26 (non-core meeting)

Minute no	Item	Action Items remain until action complete	Who	Outcome
	Next Steps	<ul style="list-style-type: none"> Committee Members to send questions for relevant stakeholders involved in FuturePlaces to the Chair asap Chair to seek advice of the Monitoring Officer on the phrasing of questions and then arrange for final list to be circulated to Committee Issue written questions to the relevant stakeholders week ending 12 December 2025 and seek written responses by mid January 2026 	Committee Members / Chair in consultation with MO	In progress – Chair has updated Members on amended timescale for issuing questions to be after the Christmas/New Year period
		<ul style="list-style-type: none"> A final report to be presented to the Committee in early 2026, comprising a Forward from the Chair (a draft of which to be shared with the committee), the draft Internal Audit investigation report and a compilation of responses from relevant stakeholders Recommendations to be finalised and agreed by the Committee and referred to Cabinet and Council 	Chair / Committee	
Meeting date: 27 November 2025 (non-core meeting)				
66	External Auditor (EA) – Auditor's Annual report 2024/25 (Value for Money arrangements report)	Liaise with Chief Financial Officer on whether more regular VFM updates required	EA	Review after March 2026 committee
68	Action Sheet	Arrange for Improvement Recommendation 2 (Governance) in External Auditor's Value for Money arrangements report to be referred to Constitution Review Working Group.	Chair	

Minute no	Item	Action Items remain until action complete	Who	Outcome
Meeting date: 6 November 2025 (Additional meeting) - Draft BCP FuturePlaces Investigation Report (Scope Items 1 to 8)				
60	Scope 5. Items requiring specific assurance	5.5 Seek clarity on when exactly a councillor's term of office ends after an election.	MO	
Meeting date: 16 October 2025 (core meeting)				
47	Treasury Management Monitoring update for Quarter 2, 2025/26	Consider whether further letters to MPs and the Government are required, including the offer of support from the Audit and Governance Committee, as part of management reflection on the current position in relation to the DSG and SEND	CFO	This action is superseded by Government announced reforms of the SEND system and financing plans. Further representation may be required as details emerge.
49	Risk Management - Corporate Risk Register Update	Liaise with Chair of the Children's Services O&S Committee on arrangements for how DSG, high needs block and Corporate Risk CR02 are being monitored (possible forward plan item)* *At subsequent committee on 15.1.26 it was agreed to include the partial audit opinion on Out of Borough Placements in this discussion.	Chair	Initial meeting on 30.1.26. Chairs have since discussed further, will meet again on 10.3.26 and report back at March committee.
Meeting date: 24 September 2025 (Additional) PART A – Draft BCP FuturePlaces Investigation Report (Scope Items 1 to 4)				
39	Scope 3. Establishment and operation of BCP Future Places Ltd.	3.1 Invite former FuturePlaces officers to respond to targeted questions following conclusion of consideration of the HAMA's full report.	Chair on behalf of committee	Superseded by action 74

Minute no	Item	Action Items remain until action complete	Who	Outcome
		3.1 Consider questions sent from Committee Members.	Chair	Superseded by action 74
		3.2 Add to enquiry list a request for Future Places' Directors perspective on absence of commissioning contract and resource agreements.	Chair	Superseded by action 74
		3.2 Clarify governance terminology in future documents to specify whether decisions lie with Cabinet, full Council, or shareholder representatives.	HAMA / MO	An agenda item for a future Shareholder Advisory Board decision. The Shareholder Operations Board will firstly discuss and formulate a proposal.
		3.3 Consider recommendation regarding a clear policy framework for Teckal companies regarding whether Council policies should be fully adopted or selectively applied.	HAMA / MO	An agenda item for a future Shareholder Advisory Board decision. The Shareholder Operations Board will firstly discuss and formulate a proposal.
		3.4/3.5/3.6 FPL Directors to be asked about items highlighted within this section, including relationship set up and expectations, provision of monthly management accounts and 'mission creep'.	Chair	Superseded by action 74
		3.4/3.5/3.6 Recommendation to be considered regarding use and implications of the term 'draft' and the need to ensure progress could be monitored and scrutinised as appropriate.	HAMA / MO	An agenda item for a future Shareholder Advisory Board decision. The Shareholder Operations Board will firstly discuss and formulate a proposal. The proposal may be along the lines of, including in the shareholder agreement, 'shareholder will have access to all draft

Minute no	Item	Action Items remain until action complete	Who	Outcome
				reports should they be requested'.
Meeting Date: 24 July 2025 (core meeting)				
18	Public Issues	Create landing page on Council website for interim and final reports on BCP Future Places investigation, including report appendices and all Freedom of information (FOI) information requests responses.	HAMA in consultation with the Chair	To be created after the meeting that is considered final.
19	Carters Quay update* *see also Forward Plan	Include revised list with information requested in next report to committee	Director, Investment & Development	Feb 2026 committee date to be revised – confirmed item for 28 May 2026
21	Information Governance	Update committee on the review by leadership team of the function of IG Information Governance within BCP Council	MO	
33	Forward Plan	Liaise with Chair on scheduling of Ombudsman reports	MO	

RAG status:

RED Not yet started
 AMBER In progress
 GREEN Complete

List of Abbreviations:

CE Chief Executive
 CFO Chief Financial Officer
 COO Chief Operations Officer
 MO Monitoring Officer
 HAMA Head of Audit and Management Assurance

R&I	Risk and Insurance
EA	External Auditor
DS	Democratic Services

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Audit – Auditor’s Annual Report 2024/25 Final												
Meeting date	19 March 2026												
Status	Public Report												
Executive summary	<p>The External Auditor, Grant Thornton for BCP Council, is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness its use of resources.</p> <p>Auditors are 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.</p> <p>The Final 2024/25 Annual Report is attached at Appendix A, following the interim version presented to this committee on 27 November 2025. The findings are unchanged and provided for information.</p> <table border="1" data-bbox="528 1070 1501 1697"> <thead> <tr> <th data-bbox="528 1070 715 1106">Criteria</th> <th data-bbox="715 1070 778 1106"></th> <th data-bbox="778 1070 1501 1106">2024/25 Assessment of arrangements</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1122 715 1308">Financial sustainability</td> <td data-bbox="715 1122 778 1308">R</td> <td data-bbox="778 1122 1501 1308">We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.</td> </tr> <tr> <td data-bbox="528 1317 715 1496">Governance</td> <td data-bbox="715 1317 778 1496">A</td> <td data-bbox="778 1317 1501 1496">No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.</td> </tr> <tr> <td data-bbox="528 1505 715 1697">Improving economy, efficiency and effectiveness</td> <td data-bbox="715 1505 778 1697">R</td> <td data-bbox="778 1505 1501 1697">One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to ‘Good’, so our previous key recommendation has been addressed.</td> </tr> </tbody> </table> <p>Two key recommendations have been raised in relation to the cumulative DSG deficit and the statutory direction in relation to SEND.</p> <p>A further four improvement recommendations have been made. The Council has provided the External Auditor with management responses to all of the recommendations.</p>	Criteria		2024/25 Assessment of arrangements	Financial sustainability	R	We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.	Governance	A	No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.	Improving economy, efficiency and effectiveness	R	One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to ‘Good’, so our previous key recommendation has been addressed.
Criteria		2024/25 Assessment of arrangements											
Financial sustainability	R	We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.											
Governance	A	No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.											
Improving economy, efficiency and effectiveness	R	One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to ‘Good’, so our previous key recommendation has been addressed.											

Recommendations	It is RECOMMENDED that Audit & Governance Committee notes the findings, recommendations and management comments in relation to the External Auditor’s Annual Report 2024/25 Final (Value for Money arrangements report).
Reason for recommendations	To ensure that the Audit & Governance Committee are fully informed of the findings of the Council’s External Auditor following their Annual Report for the year ended 31 March 2025 (Final), as set out in the report (Appendix A) attached.
Portfolio Holder(s):	Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), the External Auditor is required to report whether, in their opinion, the group and Council's financial statements:
 - a. give a true and fair view of the financial position of the group and the Council and of their income and expenditure for the year; and
 - b. have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.
2. In addition, the External Auditor is required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. External Auditors report their findings in this area in their Auditor’s Annual Report, sometimes referred to as the Value for Money conclusion, under the following three areas:
 - Financial Sustainability.
 - Governance
 - Improving Economy, Efficiency and Effectiveness.

Auditor's Annual Report 2024/25 Final - Value for Money arrangements and key recommendations

- The Final Auditor's Annual Report for the year ended 31 March 2025 is provided at Appendix A. An interim version of this report was previously presented to the Committee on 27 November 2025 and the findings below are unchanged and represented for information only.
- The conclusions of the External Auditor are summarised as follows:

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Three significant weaknesses in arrangements identified, one retained from 2022/23 and two identified in 2023/24. One improvement recommendation retained from 2022/23.	Three risks of significant weakness identified in relation to: DSG deficit, cashflow and the level of reserves.	R We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.
Governance	A No significant weaknesses identified; three improvement recommendations, two retained from 2022/23 and one raised in 2023/24.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.
Improving economy, efficiency and effectiveness	R Two significant weakness in arrangements identified, one key recommendations raised in 2023/24 and one key recommendation retained from 2022/23.	Two risks of significant weakness identified in relation to: statutory direction on the Council's SEND service and the 'inadequate' rating for children's services from Ofsted.	R One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to 'Good', so our previous key recommendation has been addressed.

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

- The two significant weaknesses identified by the External Auditor results in the following key recommendations:

Recommendation	Relates to	Management Actions
<p>The Council should:</p> <ul style="list-style-type: none"> update its DSG management plan and ensure the actions are embedded and monitored. Further action should be identified if the current actions are not having the impact as intended to ensure action is taken at pace continue to monitor the impact of the DSG deficit on the cashflow position ensure it monitors and manages the level of reserves and increase its level of reserves where possible. 	Financial sustainability (pages 16 – 20)	<p>Actions: The DSG management plan will be updated. A new partnership governance of the DSG will be established to monitor activity against impact. The monitoring of the cashflow position against the deficit will continue. The levels of reserves will be monitored and increased where possible.</p> <p>Responsible Officer: Corporate Director for Children's Services and the Director of Finance</p> <p>Due Date: March 2026</p>
<p>The Council should address the weaknesses identified by a recent statutory direction in relation to the SEND (special education needs and disabilities) service.</p> <p>Raised in 2023/24</p>	Improvement economy, efficiency and effectiveness (pages 29 – 30)	<p>Actions: The improvement plan for the SEND service will continue to be monitored through the partnership arrangements and through the SEND Board chaired by the DfE.</p> <p>Responsible Officer: Corporate Director for Children's Services</p> <p>Due Date: March 2026</p>

- In addition, four improvement recommendations were made, shown on pages 33 and 34 of Appendix 1.
- Management comments have been provided for all recommendations.
- Of the five key recommendations made in 2023/24 (see Appendix 1 page 36 – 37), four have been partially implemented and one is now complete.

Options Appraisal

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

Summary of financial implications

10. A number of findings and recommendations directly relate to the financial sustainability of the Council.

Summary of legal implications

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

Summary of human resources implications

12. There are no direct human resources implications from this report. The financial implications above may have a resulting impact on human resource levels.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

16. The Auditor's Annual Report identified a number of risks which were considered as part of the management comments. Where appropriate, these will be further considered as part of the wider risk management review process and necessary mitigations agreed.

Background papers

None

Appendices

Appendix A – External Auditor – Auditor's Annual Report Year ending 31 March 2025
(Final)

Bournemouth, Christchurch and Poole Council

Auditor's Annual Report
Year ending 31 March 2025

27 February 2026

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Bournemouth, Christchurch and Poole Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 31 of the Local Audit and Accountability Act, the auditor of a local authority may make an application for judicial review of a decision of that authority, or of a failure by that authority to act, which it is reasonable to believe would have an effect on the accounts of that body. They may also issue:

- Statutory Recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR)

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024/25

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

The Council is a unitary council with a population of approximately 409,000 and was formed on the 1 April 2019 following complex reorganisation combining the services of the county council and three district councils. 2024/25 is its fifth year of operation and like other local authorities the Council has faced significant financial and governance challenges. The Council was issued with a Non-statutory Best Value notice in 2023 and has been successful in having this lifted in September 2024. The Dedicated School Grant (DSG) increasing costs and cumulative deficit is the Council’s most significant financial challenge and the Council has been in dialogue the Ministry of Housing, Communities and Local Government and the Department for Education.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Three significant weaknesses in arrangements identified, one retained from 2022/23 and two identified in 2023/24. One improvement recommendation retained from 2022/23.	Three risks of significant weakness identified in relation to: DSG deficit, cashflow and the level of reserves.	R We have reviewed the previous significant weaknesses and key recommendations and updated our assessment and concluded that, as the weaknesses are all founded on the increasing DSG deficit, its impact on cashflow and the lack of reserves to manage this deficit, it was more appropriate to combine these into a single significant weakness and key recommendation.
39 Governance	A No significant weaknesses identified; three improvement recommendations, two retained from 2022/23 and one raised in 2023/24.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but four improvement recommendations made to support the Council in improving arrangements for treasury management, officer complaints, lessons learnt reporting and Council-owned companies.
Improving economy, efficiency and effectiveness	R Two significant weakness in arrangements identified, one key recommendations raised in 2023/24 and one key recommendation retained from 2022/23.	Two risks of significant weakness identified in relation to: statutory direction on the Council’s SEND service and the ‘inadequate’ rating for children’s services from Ofsted.	R One significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service and a key recommendation made. The Council has significantly improved its Ofsted rating to ‘Good’, so our previous key recommendation has been addressed.

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

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

In 2024/25, the Council delivered a £1.2m revenue underspend. The capital budget was reduced in-year to £110m from £148m with final spend of £90.7m (82%). The Council has set a balanced budget for 2025/26. The Medium-Term Financial Plan (MTFP) has been regularly reviewed and reported to Cabinet in 2024/25 and into 2025/26. The financial risks faced by the Council have also been clearly communicated to members.

The Council remains under significant financial pressure and is not financially sustainable. Its Dedicated Schools Grant (DSG) cumulative deficit continued to significantly increase in 2024/25 to £113.3m and is expected to be £180m at the end of 2025/26. Whilst usable reserve levels have increased to £87m (earmarked and unearmarked reserves) they remain considerably below the cumulative DSG deficit. The DSG deficit also continues to have a negative impact on the Council's cashflow position. The cost of this is estimated to be £4.7m in 2024/25 and £7.5m in 2025/26. The Council has negotiated a temporary solution with the Government and can borrow short term within its Treasury Management powers above its Capital Finance Requirements. We have identified these issues as a significant weakness and have raised a key recommendation, which has been accepted by Management, see pages 19 and 20.



Governance

The Council had arrangements in place to identify and manage risks. Budget setting and monitoring arrangements were appropriate. Treasury management reporting could be enhanced by including comparisons to previous periods on the level of short-term borrowing, and we raise an improvement recommendation on page 25. In September 2024 the non-statutory Best Value Notice was lifted following completion of the required actions.

In 2024/25 we established that the Council had a range of policies, codes of conduct and a protocol for councillor/officer relations in place. We raise an improvement recommendation to expand the Constitution to ensure it is consistent with the Joint Negotiating Committee's guidance, and for the Council to strengthen its governance of Council-owned companies. See pages 26 and 27.

The Council's Audit and Governance Committee has scoped and commissioned a lessons learnt review of BCP Future Places Ltd. An initial report has been issued, but a full report with recommendations has not been issued. We recommend the Council should develop an action plan in response to this review, once Internal Audit have completed their investigations.

The Council's latest Procurement and Contract Management Strategy was approved by Cabinet in September 2024 and included the requirements of the 2023 Procurement Act.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Improving economy, efficiency and effectiveness

In 2024/25, corporate performance was reported quarterly to Cabinet. Performance metrics were RAG-rated and under performance required Exception Performance Reports to be provided.

In December 2024, the Council received a 'Good' Ofsted rating following an inspection of its Children's Services. This is a great improvement and demonstrates strong commitment by the Council to address previously identified weaknesses and improve the assessment by two gradings from the previous rating of 'inadequate'. Our previous assessment of a significant weakness in arrangements is therefore no longer in place.

In 2023/24 the Council was issued with a statutory direction in relation to its SEND (special education needs and disabilities) services. Whilst there is evidence that the Council has made some progress in addressing the statutory direction, further progress is required to remove this statutory direction. There are several unfinished actions, one action has not yet been started and performance against the Improvement Plan remains inconsistent. Consequently, the significant weakness and key recommendation in relation to this remains in place, see page 32.

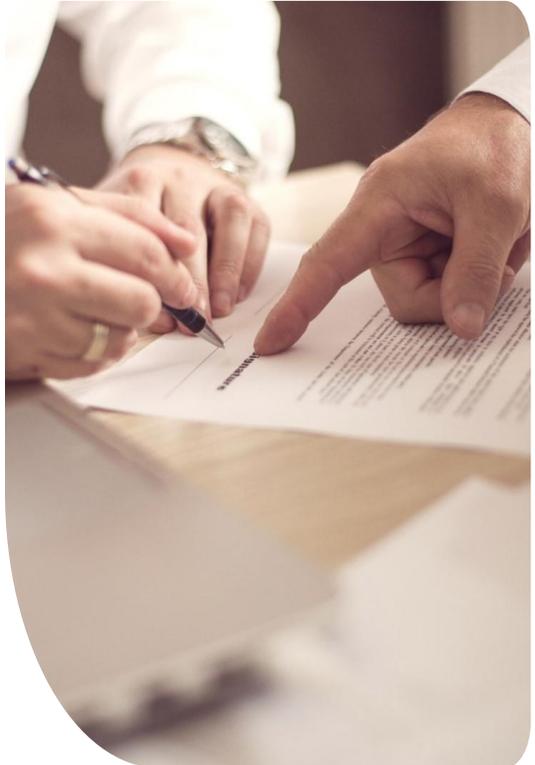
The Council had adequate arrangements for procurement and commissioning activity although, the Council recognise its contract monitoring arrangements could be improved further. Improvements identified will be addressed through its delivery plan supporting the Procurement and Contract Management Strategy and we do not consider the need to raise an improvement recommendation.



Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
<p>Opinion on the Financial Statements</p>	<p>The audit of the financial statements is now complete. We issued a disclaimer opinion on 27 January 2026.</p>
<p>Use of auditor’s powers</p>	<p>We have not made any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>We have not made an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We have not made an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We have not identified any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>



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03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

Our work on the financial statements audit is complete and we issued the audit opinion on 27 January 2026.

The full opinion is included in the Council's Annual Report for 2024/25, which can be obtained from the Council's website.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

We noted improvements in the audit process from prior years', however, a number of material and other adjustments were required to be made to the main statements and the disclosure notes. All required adjustments were made in the final version of the financial statements received on 26 January 2026 with a small number of unadjusted errors which were not adjusted based on being immaterial. Due to the impact of the Local Government Backstop on the 2022/23 financial statements, we have issued a disclaimer opinion on 2025/26 financial statements as a result of being unable to obtain sufficient appropriate audit evidence over the Council's in year movements of the net pension liability and property plant and equipment and the closing balance of property, plant and equipment and closing reserves.

Audit Findings Report

Draft accounts were provided to audit in line with the national deadline. Draft financial statements were of a reasonable standard and supported by detailed working paper. We have reported the detailed findings from our audit in our Audit Findings Report

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

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04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>48 identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Council has delivered a positive revenue position in 2024/25, generating a surplus of £1.2m. The capital budget was reduced in-year to £110.2m from £148.0m with final spend of £90.7m (82%). The Council has set a balanced budget for 2025/26, with reasonable assumptions within the Medium-Term Financial Plan (MTFP). The MTFP has been regularly reviewed and reported to Cabinet in 2024/25 and into 2025/26.</p> <p>The cumulative DSG deficit and the impact on the Council’s cashflow position is a significant financial pressure. The DSG deficit continues to increase and was £113.3m at the end of 2024/25 and is expected to be £180.0m at the end of 2025/26. This is considerably above existing reserve levels, which increased in 2024/25 to £87.0m (earmarked and unearmarked reserves). The cashflow impact was estimated to be £4.7m in 2024/25 and £7.5m in 2025/26. Government has advised the Council that it can temporarily borrow within its Treasury Management powers to fund any DSG deficit over its Capital Finance Requirements (CFR) in 2025/26. It has not yet exceeded its CFR limit.</p> <p>In 2023/24 we raised three key recommendations relating to the DSG deficit, cashflow and the need to build up its reserves. The Council has made progress in replenishing its reserves, but is not yet able to contain its DSG spend and the impact that the deficit is having on cashflow. Therefore, the significant weakness within financial sustainability remains, but we have only raised one key recommendation on page 20 as whilst a similar position remains, this is all founded on the same issue of the DSG spend.</p>	<p>R</p>

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

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>49 plans to bridge its funding gaps and identify achievable savings</p>	<p>The Council has a good track record of delivering a high proportion of their savings target, and this trend has continued into 2024/25. The 2024/25 revenue budget included delivery of £38.0m of itemised service and transformation savings and the Council delivered £32.3m in savings (86%). The Council’s transformation investment programme was agreed by Cabinet in February 2024. This relates to a new operating model and included efficiencies from processes inherited from the legacy councils. The £38.0m savings target included a budget of £13.5m for transformation and the Council delivered £9.5m (70%).</p> <p>The Council has proposed £7.8m savings to support the delivery of the 2025/26 budget, this is a substantial decrease from the required target in previous years and previous performance indicates this target should be achievable.</p>	<p>G</p>
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The BCP Corporate Strategy was adopted by the Council in January 2024. The new Corporate Strategy provides a simplified strategic framework, establishing a single set of key priorities and ambitions for the Bournemouth, Christchurch, and Poole area. In setting the budget for 2025/26, it was critical for the Council that consideration was given to the vision and ambitions of the Council, to ensure that the organisation commits its limited resources in accordance with its priorities. The Council has a good understanding of discretionary spend, and the sustainability of discretionary spend is considered within its reporting.</p>	<p>G</p>

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Council had several strategies in place which underpin assumptions within the 2025/26 budget, these include the People and Culture Strategy 2023-27, Strategic Asset Management Plan 2025-2030 and the Climate Action Strategy 2023 to 2028. These strategies support the Council’s vision for the future.</p> <p>The Capital Investment Programme for 2025-2030 details the upcoming capital programmes, the funding requirements for the projects and how these have been built into the budget. Capital budget monitoring was included in the quarterly budget monitoring reports provided to Cabinet.</p>	<p>G</p>
<p>50 identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The budget was subject to regular review in the form of quarterly budget monitoring reports taken to Cabinet. Cost pressures identified throughout the year are communicated within these reports, and mitigating actions are presented. The Council undertakes scenario planning and sensitivity analysis, and this is evident within the MTFP updates taken to Cabinet.</p> <p>The Council has, and continues to, actively address financial risks and has a well structured MTFP, but challenges remain, particularly in addressing the funding gaps across the medium-term and ensuring ongoing medium-term financial sustainability. The S151 officer has ensured that Cabinet have been kept up to date with the risks posed by its financial challenges and the Council’s regular correspondence with the MHCLG and DfE, as highlighted on page 19.</p>	<p>G</p>

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

Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: The DSG cumulative deficit has increased significantly in recent years to £113.3m at the end of 2024/25 and is expected to be £180.0m at the end of 2025/26. This increasing deficit is a result of increasing demand and in response to the improvements required to address the statutory SEND directive (more details are set out on page 29.) This DSG deficit had, and continues to have, a detrimental impact on the Council cashflow position.

Evidence: The Council had explored being part of the Safety Valve programme in 2023 but an agreement could not be reached with the Department for Education to find a long-term solution. The 15-year management plan was developed as part of this process. The Council is putting in place initiatives to change the trajectory of the deficit, these include:

- development of early intervention and support to reduce the numbers requiring an EHCP, early years support;
- increased sufficiency, within mainstream and post-16 and also a capital grant for a free school;
- looking at the post-16 and 18 offer, such as internships; and
- pre-16 vocational offer, working with local colleges.

These initiatives are in the initial stages of implementation and should start to have greatest impact in 2025/26.

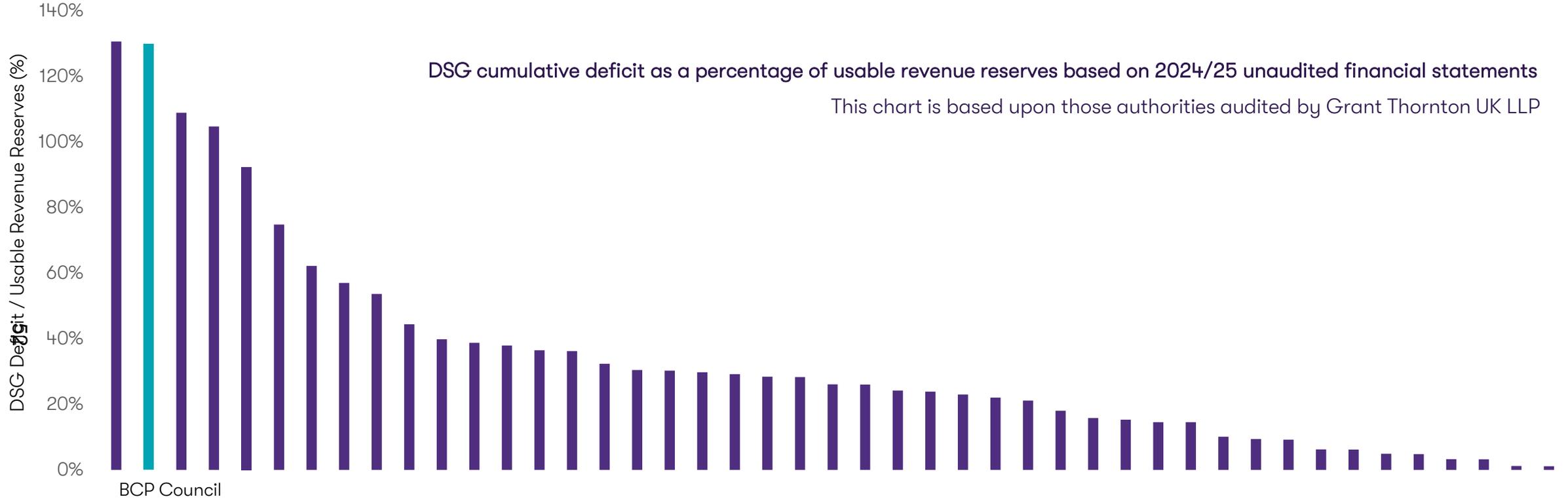
The Council does not have sufficient reserves should the statutory override be removed. At 31 March 2025, the Council had £87m in usable reserves (£27.3m in general fund reserves and £55.7m in earmarked reserves).

The level of reserves compared to the Council's level of usable spend is illustrated on the next page.

The cashflow impact is estimated to be in the region of £4.7m in 2024/25 and a further £7.5m in 2025/26. In order to manage this impact, the Council applied for a capitalisation directive to cover the £DSG deficit in 25/26. This was rejected but the MHCLG agreed an increase in their temporary borrowing.

Impact: If the Council is unable to effectively manage its DSG deficit and the impact on its cashflow, the Council may require a capital directive or may have to issue a S114 notice.

Financial sustainability (continued)



Key recommendation 1

KR1: The Council should:

- update its DSG management plan and ensure the actions are embedded and monitored. Further action should be identified if the current actions are not having the impact as intended to ensure action is taken at pace
- continue to monitor the impact of the DSG deficit on the cashflow position
- ensure it monitors and manages the level of reserves and increase its level of reserves where possible.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating	
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Council has arrangements in place to manage its strategic risks. The Council’s latest Risk Management Policy was agreed by the Audit and Governance Committee in March 2025 and this committee regularly reviewed the Corporate Risk Register. In August 2023 the Council was issued with a Best Value Notice, the Council has completed the required actions listed within the Best Value Notice Action Plan and the notice was lifted in September 2024.</p> <p>The Internal Audit function reported quarterly to the Audit and Governance Committee and provided progress against the 2024/25 Audit Plan. The opinion of the Chief Internal Auditor for 2024/25 stated that effective arrangements were in place across a range of governance, internal control, fraud deterrent and detection services and risk management arrangements.</p>	G	
53	approaches and carries out its annual budget setting process	<p>The budget setting process began in July 2024, and key dates were communicated at this point. The 2025/26 budget was scrutinised by the Overview and Scrutiny Board and Cabinet prior to approval by Council in February 2025. The Council launched consultation in October 2024 asking for views on the importance of Council services, priorities for spending and levels of council tax. In support of the 2025/26 budget process, steps were taken to enhance the Overview and Scrutiny arrangements. This included Directorate budget awareness sessions and task and finish working groups that explored key lines of enquiry within their areas of responsibility. A balanced budget was set, which clearly identified the financial risks including the impact of the DSG deficit and cashflow issues.</p>	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>The Council has documented the responsibilities of the Chief Finance Officer as well as budget managers within the Constitution for budgetary control and management. Quarterly financial monitoring reports were presented to and considered by Cabinet. Appendices to the reports provided projected revenue budget variances by service area, capital monitoring, HRA monitoring and a summary of the general fund.</p> <p>The Treasury Management Strategy Statement was presented to Cabinet in February 2025. The Audit and Governance Committee received quarterly treasury management reports. These updates included investment, borrowing performance, Prudential Indicators and short-term borrowing. The reports could be improved with short-term borrowing comparisons, and we raise an improvement recommendation in respect of this on page 25.</p>	A	

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

Governance – commentary on arrangements

We considered how the Council: **Commentary on arrangements**

Rating

54

ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

The Constitution sets out how decisions are made and the procedures that should be followed, we are not aware of any instances of inappropriate decision making in 2024/25. The Council has four Overview and Scrutiny Committees, which provided a reasonable level of challenge and scrutiny throughout the year.

The Council has an established Audit and Governance Committee which monitored the work undertaken by Internal Audit and received a range of reports including risk management, treasury management and contract waivers and breaches. Throughout 2024/25 and into 2025/26 the Committee has been involved in scoping and reviewing an investigation currently being completed by Internal Audit on BCP Future Places. Whilst the Committee saw the investigation as a way to identify lessons learnt and provide greater understanding and transparency, the commissioning of this type of investigation, in our experience, is not standard practice for an Audit and Governance Committee. We have provided some insight in respect of this on page 28.

The Council has members, including some Cabinet members, as company directors. This could create conflict of interest challenges as a board directors’ first duty is to act in the best interests of the company, which may conflict with the member’s responsibilities as a Cabinet member.

A Shareholder Advisory Board and Shareholder Operations Board Governance Framework was approved in October 2024. Under the new framework, BCP Councillors would no longer be appointed to the Boards of Council-owned companies. The adoption of this revised governance framework will result in Councillor appointments being terminated and replaced with suitably skilled Officers nominated by the Chief Executive. Currently, members including the Leader of the Council remain on the Board of Directors. We raise an improvement recommendation on page 26.

(cont.)

A

Governance – commentary on arrangements

We considered how the Council: **Commentary on arrangements**

Rating

55

<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee (cont.)</p>	<p>The Internal Audit investigation of BCP – Future Places Ltd has resulted in two reports. The first report was presented to the Audit and Governance Committee in September 2025 and the second in November 2025. The first report set out the timeline of events and key findings, whilst the second report identified 18 recommendations for the Council. Recommendations centred around the recruitment of company directors, governance arrangements for any new Council companies set up in the future, decision-making around individual projects, public reporting for Council companies and conflicts of interest, among others. Eight of the 18 recommendations need to be completed immediately – this includes ensuring advertising/recruitment for senior company executive director roles remain open for a minimum of three weeks and adopting the same selection/interview processes as for Council corporate directors, preventing Councillors who serve as company directors from participating in Council decisions related to the company, requiring all governance documents for any newly established Council company to be approved and signed within six months of incorporation, accurate recording of all declarations of interest, and regular meetings of the Shareholder Advisory Board and Shareholder Operations Board. Based on the information we have to date, we do not consider there was a significant weakness in arrangements in 2024/25, but an improvement recommendation has been raised on page 26.</p> <p>The issue relating to potential conflicts of interest has been addressed within improvement recommendation 4.</p>	<p>A</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Council performed an annual refresh of key policies, such as the Anti-Fraud and Corruption Policy and the Whistleblowing Policy. As part of this process, the Council conducted additional training and awareness sessions.</p> <p>The Council has codes of conduct for officers and members and a protocol for councillor/officer relations. An Annual Report on member Code of Conduct Complaints was presented to the Standards Committee. This report provided a summary of the complaints received and determined which were made against Councillors for alleged breaches of the Code of Conduct.</p> <p>Our review considered the arrangements in place for complaints made against statutory officers. This established that the Constitution is not consistent with the Joint Negotiating Committee (JNC) guidelines and the guidelines for consideration of an Investigation and Disciplinary Committee (IDC). The Constitution does not include procedures when a complaint is made against all three statutory officers and therefore requires updating. We have raised an improvement recommendation on page 25. (cont.)</p>	<p>A</p>

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (cont.)	<p>There were no breaches or non-compliances of legislative and regulatory requirements reported within the 2024/25 AGS, however we do note that mandatory member training is listed as a 'Significant Governance Issue'. Completion rates for mandatory training for officers increased in 2024/25, whereas completion rates for mandatory Councillor training remain low. This has already been identified as a concern in the AGS, and the Council has plans in place to support training uptake.</p> <p>The Council’s Procurement and Contract Management Strategy (2024–2028) was approved by Cabinet in September 2024 and included the requirements of the 2023 Procurement Act.</p>	A

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

Governance (continued)

Area for Improvement identified: treasury management

Key Finding: The Council provides quarterly treasury management reports to its Audit and Governance Committee. The report identifies the level of short- and long-term borrowing held by the Council as at the end of the period. However, there is no comparison or analysis provided to indicate if the level of borrowing has increased or decreased.

Evidence: Treasury measurement reports clearly set out all the short- and long-term borrowings the Council held as at a specific date. However, members reviewing the report will not be able to easily determine if borrowing levels have increased or decreased compared to the previous year or period.

As at 31 March 2024, the Council had short-term borrowings of £43.5m. By 31 March 2025, this had increased to £121.5m, whereas long term borrowing was £294.8m as at 31 March 2024 and £371.0m as at 31 March 2025. Short-term borrowing increased in 2024/25 to fund the cashflow issues resulting from the Dedicated Schools Grant (DSG) cumulative deficit. The Council has been given permission to exceed its Capital Finance Requirements (CFR) in 2025/26. It has not yet exceeded its CFR limit and should ensure this is reported promptly should it be exceeded.

Impact: A comparison of borrowing levels between periods and year-on-year would enable the reader to identify and understand any increases or decreases.

Improvement Recommendation 1

IR1: The Council should continue to monitor and report performance of its treasury management indicators and should enhance its treasury management reports by including comparisons on the level of borrowing to the previous year and earlier periods.

Governance (continued)

Area for Improvement identified: statutory officer complaints procedures

Key Finding: The Council's Constitution is not consistent with the Joint Negotiating Committee's (JNC) guidance and does not include arrangements to be followed in the event that a complaint is made against three statutory officers.

Evidence: The JNC is responsible for providing guidelines on disciplinary and grievance procedures for senior officers. The Council is aware of these guidelines, but the Constitution did not reflect these guidelines.

The Constitution set out procedures if a complaint was made against one or two statutory officers but not all three.

Impact: Current arrangements are unclear as to what procedures the Council should follow and, as such, are not transparent.

Improvement Recommendation 2

IR2: The Council should update its Constitution to ensure it is consistent with the JNC guidance and should include arrangements to include the scenario should a complaint be made against all three statutory officers.

Area for Improvement identified: lesson learnt report, BCP Future Places Ltd

Key Finding: Internal Audit's investigation into BCP – Future Places Ltd was considered by Audit and Governance Committee in two parts. The first report in September 2025 identified areas of concern and key findings, whilst the second part in November 2025 identified specific recommendations.

Evidence: A detailed scope for the Internal Audit investigation was agreed by the Audit and Governance Committee in May 2025. It was agreed that findings would be covered in two meetings; September and November 2025. The September meeting identified issues and key findings, whilst the November meeting identified 18 recommendations with responsible officers and target dates. Eight of the 18 recommendations should be implemented immediately, whilst the rest have a target deadline of April 2026.

Impact: Failure to implement the recommendations of this review could result in poor governance of existing council owned companies.

Improvement Recommendation 3

IR3: The Council should develop an action plan to address all the recommendations made in the lessons learnt review of BCP Future Places Ltd.

Governance (continued)

Area for Improvement identified: Council owned companies

Key Finding: The Council has strengthened its governance of Council-owned companies, but members remain as Directors.

Evidence: A Council-owned companies shareholder governance review was taken to Cabinet in October 2024, following the closure of the Council's Urban Regeneration Company – BCP Future Places. The report put forward suggestions to improve governance arrangements, clearer understanding of respective roles, decision-making arrangements and accountability.

The first Internal Audit review of BCP – Future Places Limited identified that the Leader and Deputy Leader were appointed to the Board.

A Shareholder Advisory Board and Shareholder Operations Board were established, along with a Shareholder Operations Board Governance Framework. This framework advises that BCP Councillors would no longer be appointed to the Boards of Council-owned companies – the adoption of this revised governance framework should result in the termination of appointments, and members replaced with suitably skilled officers nominated by the Chief Executive. As at October 2025, elected members remain as Directors on the Boards for Seascope Group Limited, Seascope South Limited and Seascope Homes and Property Limited. This includes the Leader of the Council and Cabinet members.

Impact: Conflicts of interest may occur, and the Council may not be able to effectively govern its Council-owned companies.

Improvement Recommendation 4

IR4: The Council should ensure that it improves the governance of its subsidiary companies by:

- ensuring the skills and capabilities for each Board meet the requirements to enable effective governance of each company;
- removing elected members, including Cabinet and portfolio holders, from the boards and do not appoint any elected members to new companies, to guard against potential conflicts of interest;
- ensuring that if officers of the Council are appointed, appropriate arrangements are in place to reduce and manage potential conflicts of interest; and
- reviewing the articles of association to ensure they remain appropriate.

Grant Thornton insights – role of Audit and Governance Committee

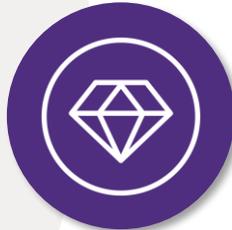
The Council has the arrangements we would expect to see in respect of the Audit and Governance Committee function, but could challenge itself to go further, based on the best arrangements we see across the sector

What the Council is already doing



- Regularly reviewing and challenging the work of Internal and External Audit.
- Reviewing the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council, including, the approval of the Risk Management Policy and review of the Council's Corporate Risk Register.
- Considering arrangements for Treasury Management including approving the Treasury Management Strategy and monitoring the performance of this function.

What others do well



- Gaining assurances through the review of significant lessons learned reports presented to Audit Committee, especially those that relate to a significant audit finding, internal control failure, or following a major project.
- Regularly reviewing the effectiveness of the Audit Committee function to ensure it continues to provide strong oversight and meets its responsibilities,.

The Council could consider



- Ensuring that the Audit and Governance Committee prioritise core assurance business as per the terms of reference and evaluate if their role should include scoping and commissioning lessons learnt reviews.
- Reviewing and evaluating the effectiveness of the Committee annually, in line with CIPFA good practice guidance.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>Corporate performance was reported quarterly to Cabinet and included 53 RAG-rated metrics. Any red-rated metrics that did not meet their quarterly target required an Exception Performance Report, which explained why the target was not met, the risks this presents and the planned mitigating actions.</p> <p>Data quality forms part of the Council's Information Governance Policy. We found evidence of benchmarking, including benchmarking of reserves within the MTFP, debt levels and debt on a net revenue expenditure basis against other Councils.</p>	G
61 evaluates the services it provides to assess performance and identify areas for improvement	<p>In 2023/24 we raised a significant weakness due to an 'inadequate' rating for the Council's Ofsted inspection of Children's Services. Following a reinspection in December 2024, the rating has improved to 'Good'. This is a very positive improvement in arrangements with a movement up two gradings. As a result, our assessment of a significant weakness in arrangements is no longer in place.</p> <p>A significant weakness was also raised in 2023/24 as a result of the statutory direction in relation to SEND (special education needs and disabilities) issued in February 2024. There is evidence that the Council has made some progress in addressing the statutory direction with a SEND Improvement Plan being put in place and progress against each action being reviewed by the recently appointed Director of Education and Skills. However, at the time of reporting, there remain several unfinished actions, and one action has not yet been started. Performance against the Improvement Plan actions remains inconsistent, and the outcome of the anticipated Ofsted inspection is uncertain at the time of reporting. There is insufficient evidence that the actions taken have appropriately addressed the significant weakness we raised in 2023/24 and therefore it remains in place for 2024/25, see page 32.</p>	R

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

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	<p>The Council had appropriate arrangements to ensure it delivered its role within significant partnerships in 2024/25. Updates and strategy approvals were presented to Cabinet throughout the year. The Council’s Corporate Strategy 2024-2028 was adopted in May 2024. Prior to the adoption of the strategy, a wide range of methods were used to engage with residents and stakeholders. This is evidenced by the Adult Social Care Strategy 2025-2028 which was taken to Cabinet in April 2025. The Council worked in collaboration with partner organisations including health, housing, the voluntary and community sector and independent care providers.</p>	G
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Council had adequate arrangements to monitor procurement and commissioning activity, with a central team, the Procurement and Contract Management Team, supporting services. This central team throughout 2024/25 were responsible for implementing the new Procurement and Contract Management Strategy and managing about 40 large contracts for which there was a standard procedure. The remaining contracts, over 500 across the Council, were managed by individual service areas and the approach was not consistent. We have not raised an improvement recommendation, however, the delivery plan supporting the Procurement and Contract Management Strategy will be reviewed next year.</p> <p>In response to the new 2023 Procurement Act, a lot of transformation work was undertaken within the central team. The team has been upskilled and procedures have been revised to reflect the changes in the Act.</p>	G

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

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05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
64	<p>The Council should:</p> <ul style="list-style-type: none"> • update its DSG management plan and ensure the actions are embedded and monitored. Further action should be identified if the current actions are not having the impact as intended to ensure action is taken at pace • continue to monitor the impact of the DSG deficit on the cashflow position • ensure it monitors and manages the level of reserves and increase its level of reserves where possible. 	<p>Financial sustainability (pages 16 – 20)</p>	<p>Actions: The DSG management plan will be updated. A new partnership governance of the DSG will be established to monitor activity against impact. The monitoring of the cashflow position against the deficit will continue. The levels of reserves will be monitored and increased where possible.</p> <p>Responsible Officer: Corporate Director for Children's Services and the Director of Finance</p> <p>Due Date: March 2026</p>
	<p>The Council should address the weaknesses identified by a recent statutory direction in relation to the SEND (special education needs and disabilities] service.</p> <p>Raised in 2023/24</p>	<p>Improvement economy, efficiency and effectiveness (pages 29 – 30)</p>	<p>Actions: The improvement plan for the SEND service will continue to be monitored through the partnership arrangements and through the SEND Board chaired by the DfE.</p> <p>Responsible Officer: Corporate Director for Children's Services</p> <p>Due Date: March 2026</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	The Council should continue to monitor and report performance of its treasury management indicators and should enhance its treasury management reports by including comparisons on the level of borrowing to the previous year and earlier periods.	Governance (pages 21 – 28)	<p>Actions: Consideration will be given to the potential enhancements to the regular Treasury Management reports to Audit & Governance Committee commencing with the Quarter Three monitoring report for 2025/26.</p> <p>Responsible Officer: Director of Finance</p> <p>Due Date: January 2026</p>
GS IR2	The Council should update its Constitution to ensure it is consistent with the JNC guidance and should include arrangements to include the scenario should a complaint be made against all three statutory officers.	Governance (pages 21 – 28)	<p>Actions: A review of this issue is due to be progressed and considered for consultation with the statutory officers prior to the amendments being proposed to relevant working group. Council approval would be required.</p> <p>Responsible Officer: Director of Law and Governance</p> <p>Due Date: December 2025</p>
IR3	The Council should develop an action plan to address all the recommendations made in the lessons learnt review of BCP Future Places Ltd.	Governance (pages 21 – 28)	<p>Actions: An action plan will be constructed based on lessons learnt by Audit & Governance Committee once Internal Audit have completed their investigations. Several actions have already been taken forward following the response to the Best Value Notice.</p> <p>Responsible Officer: Internal Auditor</p> <p>Due Date: December 2025</p>

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p data-bbox="63 692 165 792">66 IR4</p> <p data-bbox="191 425 810 535">The Council should ensure that it improves the governance of its subsidiary companies by:</p> <ul data-bbox="191 556 840 1135" style="list-style-type: none"> <li data-bbox="191 556 840 664">• ensuring the skills and capabilities for each Board meet the requirements to enable effective governance of each company <li data-bbox="191 685 840 871">• removing elected members, including Cabinet and portfolio holders, from the boards and do not appoint any elected members to new companies, to guard against potential conflicts of interest, <li data-bbox="191 892 840 1035">• ensuring that if officers of the Council are appointed, appropriate arrangements are in place to reduce and manage potential conflicts of interest <li data-bbox="191 1056 840 1135">• reviewing the articles of association to ensure they remain appropriate. 	<p data-bbox="853 735 1082 821">Governance (pages 21 – 28)</p>	<p data-bbox="1090 671 2280 778">Actions: These recommendations are matters which in accordance with the council's constitution are considered by the Shareholder Advisory Board and therefore will be considered at the next meeting.</p> <p data-bbox="1090 799 1847 835">Responsible Officer: Director of Law and Governance</p> <p data-bbox="1090 856 1465 885">Due Date: December 2025</p>

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06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action		
88	KR1		The Council should continue to explore all opportunities to manage the Dedicated Schools Grant deficit in the medium term. This should include continued discussions with the Department for Education (DfE) and Ministry of Housing, Communities & Local Government (MHCLG) as well as other measures aimed at addressing the deficit.	2023/24	The Council has corresponded regularly with MHCLG and continues to liaise with the DfE. MHCLG has agreed the use of temporary borrowing as part of the Councils Treasury Management arrangements to fund the 2025/26 DSG deficit. The Council has a 15-year management plan and continues to work with partners to reduce costs. However, the DSG deficit continues to increase.	Partially implemented	See new key recommendation on page 20.
	KR2		The Council must devise a plan to manage the cash shortfall expected to occur in 2025/26 and beyond. This plan should include consideration of the application for a capitalisation direction following liaison with Ministry of Housing, Communities & Local Government (MHCLG) to mitigate the forecast cash flow emergency.	2023/24	The Council has had confirmation that it can temporarily borrow within its Treasury Management powers to fund any DSG deficit over its Capital Finance Requirements (CFR). The Director of Finance wrote to MHCLG in July 2025 to seek assurance around the 2026/27 Budget further to announcements in the Funding Formula Review 2.0 Consultation.	Partially implemented	See new key recommendation on page 20.

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
	KR3	2023/24	The Council has made some progress. However, there remain several unfinished actions, and one action has not yet been started. Performance against the Improvement Plan remains inconsistent, and the outcome of the anticipated Ofsted inspection is uncertain at the time of reporting.	Partially implemented	Action and monitoring of actions should continue to ensure removal of the statutory inspection when the Council is reinspected, date of which is unknown.
69	KR4	2022/23	Council set a balanced 2025/26 budget and Medium-Term Financial Plan at its meeting on 11 February 2025. The unearmarked reserves have been further strengthened as part of the financial strategy and the final 2024/25 outturn. As of 31 March 2025, unearmarked reserves stand at £27.3m which would represent 7.9% of the 2024/25 Net Revenue Expenditure.	Partially implemented	See new key recommendation on page 20.
	KR5	2022/23	Following the reinspection by Ofsted of Children's Social Care services in December 2024 the rating improved from 'Inadequate' to 'Good'. Significant improvement is therefore evidenced.	Complete	No further action

07 Appendices

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Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

72 Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 **A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of improvement recommendations raised in previous years

	Prior Recommendation	Raised	Progress	Current position	Further action
73	IR1 The Council should consider as part of the corporate risk register the inclusion of documenting the key controls and sources of assurance	2023/24	Risks within the Corporate Risk Register include a net risk score and a risk status. Within the appendix, a range of detail is included on each individual risk. We consider that the Council has documented key controls and sources of assurance.	Complete	No further action required
	IR2 The Council should develop and successfully implement a policy for data stewards to ensure that the data processed across directorates is consistent and accurate	2023/24	Data quality is included within the Council's information governance policy. It sets out that information should be effectively organised, managed and maintained. We consider that this work ensures that data processed across directorates is consistent and accurate.	Complete	No further action required
	IR3 The Council should develop a Council Wide case management system for complains	2022/23	Work for this project has begun and is likely to be complete in November 2025. Public-facing complaints forms have been developed and launched for adults, children's services, BCP homes and corporate complaints. There is a weekly complaints meeting in place with the design/development team to review weekly deliverables for this project.	Complete	No further action required

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Council should continue to address the weaknesses identified by Ofsted to ensure all children have access to quality services and meet their needs on a timely basis.	2020/21	In 2024/25 Ofsted have confirmed that the BCP Council's Children's Services had significantly improved and the rating increased from 'Inadequate' to 'Good'.	Complete	No further action required
74 IR5	The Council should consider the capacity of the finance team and its over reliance on a limited number of individuals. The Council should also implement a more thorough process of review of the financial statements to prevent material errors from arising including where an external expert such as a property valuer was engaged.	2020/21	The Council has been successful in the recruitment to some key roles, however the recruitment market for local government specialists remains difficult. The review process for the 2024/25 financial accounts included a period of time to ensure a thorough review was undertaken and also included a wider group of officers to enable knowledge sharing. We are aware that overreliance on one individual remains.	Complete	No further action required

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR6	The Council should consider separating the category 1 members interests between those where member or officer controls the entity rather than where a standard employment relationship exists.	2020/21	Our review of the Constitution established that this recommendation has not been implemented. The Council has indicated that these are matters which in accordance with the council's constitution are considered by the Shareholder Advisory Board and therefore will be considered at the next meeting.	Outstanding	Implement the original recommendation

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Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
76 IR7	<p>The Council should strengthen its partnership arrangements. This should include:</p> <ul style="list-style-type: none"> defining partnerships defining the importance including those which directly contribute objectives of the partnership agree the monitoring and assessment arrangements including the role of members for each partnership agree a consistent template for the partnership register and consider expanding the content with information detailed above. 	2020/21	<p>There is a new Head of Policy, Strategy & Partnerships in post from March 2025. A review of corporate partnership arrangements will also be undertaken during 2025/26. This has been initiated by reviewing existing guidance, organising existing service partnership registers in line with current structure and by asking Directors to ensure their registers are reviewed and updated by July 2025. Once this work is completed, a further review will take place, analysis provided, and a report taken to Corporate Management Board for consideration.</p>	Outstanding	Implement the original recommendation
IR8	<p>The Council should develop and adopt a procurement strategy.</p>	2020/21	<p>The Council’s Procurement and Contract Management Strategy (2024–2028) was approved by Cabinet in September 2024.</p>	Complete	No further action required



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AUDIT AND GOVERNANCE COMMITTEE

Report subject	External Auditor – Audit Plan 2025/26
Meeting date	19 March 2026
Status	Public Report
Executive summary	<p>The attached report at Appendix A sets out the work that the Council's External Auditor, Grant Thornton, plans to undertake for the audit of the Council's Statement of Accounts in respect of 2025/26.</p> <p>The External Auditor plans to give an opinion on whether the accounts give a true and fair view and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>
Recommendations	It is RECOMMENDED that Audit & Governance Committee notes the Grant Thornton External Audit Plan 2025/2026 for the Council.
Reason for recommendations	To advise the Audit & Governance Committee of the External Audit annual plan for the Council for the audit of the 2025/26 Statement of Accounts.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, 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. During 2021, Public Sector Audit Appointments (PSAA) awarded contracts for audit appointments for a five-year period covering the audit years 2023/24 to 2027/28. Grant Thornton are the appointed External Auditor for Bournemouth, Christchurch and Poole Council under this arrangement.

2. The External Auditor performs the audit of the financial statements in line with the Code of Practice issued by the National Audit Office (NAO) and International Standards on Auditing (UK).
3. The External Auditor gives an opinion on whether the accounts give a true and fair view and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

External Auditor – Audit Plan 2025/26

4. The attached report at Appendix A (BCP Council Audit Plan) sets out the planned scope and timing of the statutory audit of the Council's Statement of Accounts, in respect of 2025/26, for those charged with governance.
5. The audit of the financial statements does not relieve management or the Audit & Governance Committee of their responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for.
6. The contents of the report include:
 - The Backstop
 - Introduction & headlines
 - Significant risks identified
 - Other risks identified
 - Other matters
 - Our approach to materiality
 - Progress against prior year audit recommendations
 - IT audit strategy
 - Value for money arrangements
 - Risks of significant weaknesses in VFM arrangements
 - Logistics
 - Our team and communications
 - Our fee estimate
 - Independence considerations
 - Fees and non-audit services
 - Communication of audit matters with those charged with governance
 - Escalation Policy
 - Financial reporting changes
 - Group audit scope and risk assessment

Options Appraisal

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

Summary of financial implications

8. The fee for the External Audit programme of work is set out in Appendix A (Our fee estimate and Fees for non-audit services).

9. The scale fee set out in the PSAA contract for the 2025/26 BCP Council audit is £482,201 and the total proposed fee for 2025/26 is £503,951. By comparison, in 2024/25 the scale fee set by PSAA was £469,068 and the actual fee charged for the audit was £533,367.

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A - Grant Thornton, The Audit Plan for BCP Council, Year ending 31 March 2026

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The Audit Plan for Bournemouth, Christchurch and Poole (BCP) Council

Year ending 31 March 2026

March 2026

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The Backstop

The Future of the Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations require audited financial statements to be published by a specific date.

The upcoming backstop dates are as follows:

- for years ended 31 March 2026 by 31 January 2027
- for years ended 31 March 2027 by 30 November 2027; and
- for years ended 31 March 2028 by 30 November 2028.

The Regulations are supported by the National Audit Office's (NAO) Code of Audit Practice 2024. The backstop dates were introduced to clear the backlog of historic financial statements and support the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Local Audit Recovery

In the audit report for the year ended 31 March 2025, a disclaimer of opinion was issued due to the backstop.

As a result, we anticipate that for 2025/26:

- we will have limited assurance over the opening balances for 2025/26; and
- no assurance over the closing reserves balance, due to the uncertainty over their opening amount.

We will work with the Council to rebuild assurance over time.

Our Work

In order to meet future statutory deadlines, for 2025/26 we will be working towards an internal deadline of 30 November 2026, as a dry run for future years. Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration disclosures; and closing balances for 2025/26.

Our objective is to establish a pathway to recovery, by providing assurance over the in-year 2025/26 transactions and movements, where possible, and those closing balances which can be wholly determined in isolation without regard to the opening balance, such as creditors and debtors.

As our work progresses, we will formulate a more detailed strategy as to how assurance can be gained on prior years. We will need the cooperation and input of management throughout the rebuilding process.

Introduction and headlines

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Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Bournemouth, Christchurch and Poole (BCP) Council ('the Council and Group for those charged with governance).

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Council. We draw your attention to these documents.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK).

We are responsible for forming and expressing an opinion on the Council's and Group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance Committee); and we consider whether there are sufficient arrangements in place at the Council and Group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council and Group and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- management override of control
- valuation of land and buildings including council dwellings
- valuation of investment properties
- valuation of the Pension Fund net liability.

87 We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £20.6m (PY £18.9m) for the Council, which equates to 2% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. As part of our risk assessment, we have considered the impact of unadjusted prior period errors.

Clearly trivial has been set at £1.0m (PY £0.945m).

Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of Russell-Cotes Art Gallery and Museum Charitable Trust, The Five Parks Charity, the Lower Central Gardens Trust and Tricuro Ltd.

Group planning materiality has been set at £21.7m (PY £19.9M).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- Financial Sustainability – risk of significant weakness in arrangements related to DSG deficit, cashflow and level of reserves; and
- Improving economy, efficient and effectiveness - risk of significant weakness in arrangements for the statutory direction in relation to SEND (special educational needs and disability) service.

We will continue to monitor and update our risk assessment and responses until we issue our Auditor’s Annual Report.

Audit logistics

Our interim visit will take place in February and March 2026 and our final visit will take place in June to November 2026. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor’s Report and Auditor’s Annual Report.

To deliver the audit in the most efficient and timely way, we will look to agree a blend of on-site and remote working. This approach will enable issues to be raised and addressed in the most appropriate way.

Our proposed fee for the audit is £503,951 (PY: £533,367) for the Council, subject to the Council delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

We have complied with the Financial Reporting Council’s Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

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

Significant risk	Audit team’s assessment	Planned audit procedures
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>Risk relates to:</p> <p>Council and Group</p>	<p>We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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 “In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

Significant risks identified (continued)

Significant risk	Audit team’s assessment	Planned audit procedures
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p> <p>Risk relates to:</p> <p>Council and Group</p>	<p>We have identified and completed a risk assessment of all revenue streams for the Council/Group. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams.</p> <p>We have rebutted the risk of fraud in revenue recognition for all revenue streams due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the revenue streams both individually and collectively.</p>	<p>As we have rebutted the risk, we do not consider this to be a significant risk for the Council/Group and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

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Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The expenditure cycle includes fraudulent transactions</p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p>Risk relates to:</p> <p>Council and Group</p>	<p>We have identified and completed a risk assessment of all expenditure streams for the Council/Group. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk.</p> <p>There is also a risk of fraudulent capital expenditure recognition where the Council may seek to manipulate the year end impact on the general fund. During the year ended 31 March 2025 the Council's capital programme was £122m, with a material level of capital additions. Therefore, if the Council were to fraudulently recognise expenditure, we believe it would be through the inappropriate capitalisation of revenue items.</p> <p>We have not identified a significant risk of fraud in expenditure recognition for either revenue or capital expenditure streams due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the expenditure streams both individually and collectively.</p>	<p>As we have rebutted the risk, we do not consider this to be a significant risk for the Council/Group and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

Table continues overleaf

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of Land and Buildings including council dwellings</p> <p><i>Risk relates to:</i></p> <p>Council</p>	<p>The valuation of land and buildings and Council Dwellings represents a significant estimate in the financial statements. It is considered a significant estimate due to its size (£1.6 billion), complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the Council's valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • test revaluations made during the year to see if they had been input correctly into the Authority's asset register; • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end; and • engage an auditor's expert to support our response to the valuation of land and buildings.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of Investment Properties</p> <p><i>Risk relates to:</i></p> <p>Council</p>	<p>The valuation Investment Properties represents a significant estimate in the financial statements. It is considered a significant estimate due to its size (£71.7 million), complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • discuss with the valuer the basis on which the valuations were carried out; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • test revaluations made during the year to see if they had been input correctly into the Authority's asset register; and • engage an auditors' expert to support our response to the valuation of investment properties.

Significant risks identified (continued)

Significant risk

Valuation of the pension fund net liability

Risk relates to:

Council

Audit team's assessment

The valuation of the pension fund net liability represents a significant estimate in the financial statements. It is considered a significant estimate due to its size (£62.88 million), complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.

Planned audit procedures

We will:

- document our understanding management's process and controls;
- evaluate the competence, capabilities and objectivity of management's expert;
- evaluate the consistency of the disclosure with the actuarial report;
- evaluate the reasonableness of the assumptions used to form the estimate;
- obtain assurances from the pension fund auditor on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate; and
- where IFRIC 14 is applicable we will review the IFRIC 14 assessment carried out by the actuary and evaluate the reasonableness of the assumptions used as part of the assessment.

Other risks identified

Risk	Description	Planned audit procedures
Dedicated schools grant deficit position Risk relates to Council	The Dedicated Schools Grant deficit position has continued to increase in 2025/26 and is forecast to increase from £113.3m at 1 April 2025 to £183.1m by March 2026.	We will <ul style="list-style-type: none"> • review the Council’s plans and discussions with the Department for Education regarding the rising DSG deficit; and • Review the impact of the DSG deficit on the Council’s cashflow position.
First time indexation of non-current assets Risk relates to Council and Group	The code now (2025/26) requires indexation in the intervening years between revaluations. The council will be adopting this for the first time and applying indexation to property plant and equipment.	We will: <ul style="list-style-type: none"> • check of indices used and application to asset classes; and • check of accounting entries.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act)
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

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

Description

Determination

We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council and Group, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes; and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

An item may be considered to be material by nature when it relates to instances where greater precision is required.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (continued)

	Group Amount (£m)	Council Amount (£m)	Qualitative factors considered
Headline materiality for the financial statements	21.700	20.600	We consider the size, complexity and operating environment. The Trust's materiality is no more than 95% of the group materiality.
Performance materiality for the financial statements	15.100	14.400	This is a lower proportion to reflect our audit approach and take account of untested items.
Materiality for specific transactions, balances or disclosures	-	0.020m	This relates to individual officers disclosures within the Remuneration report due to heightened public interest.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Council's financial statements, which resulted in five recommendations being reported in our 2024/25 Audit Findings Report. We have followed up on the implementation of our recommendations and three are still to be fully addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	A number of recommendations have been made in respect of our IT Audit undertaken in 2024/25. A separate, detailed IT Audit report has been provided to management where we have made a number of recommendations for management to implement.	Steps have been taken to improve access governance, including the reallocation of F&O licenses. The council will be looking to implement enhanced oversight for privileged access and introducing periodic user access reviews, alongside a cross-functional process with People and Culture, Finance and IT & Programmes to ensure timely revocation of F&O accounts and licences for leavers.
Addressed	The council has a significant number of nil net book value assets on its fixed asset register. There is a risk that these may be overstating gross values and accumulated depreciation if they are no longer in use.	A review has already been carried out in anticipation for the 2025/26 closedown and where assets are no longer in use they will be removed from the asset register.
In progress	In our review the fixed asset register we identified: <ul style="list-style-type: none"> • one asset disposed of in 2024/25 which should have been disposed of in a prior year. • two assets within assets under construction which were completed and operational in year. There is a risk that the fixed assets register is not accurately reporting the in year movements.	A process is already established to ensure the estates team and services inform accountancy of any disposal and where assets become operational in year. A reminder will be sent to all parties involved in preparation for the 2025/26 closedown.

Progress against prior year audit recommendations continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	The Council is required, under Section 26 of the Local Audit and Accountability Act 2014, to allow interested persons to inspect the accounting records for the financial year to which the audit relates.	To be considered in 2025/26 audit.
Addressed	Two instances of long-term debtors were identified which are not being monitored to ensure accuracy of the balance owed and recoverability of these. A provision was made against debtor balances where management were unable to trace to the specific debts it related to.	The council has undertaken a review of long-term debtors and provisions to ensure they are appropriate for 2025/26 year-end position.

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IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

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IT application	Audit area	Planned level IT audit assessment
Microsoft Dynamics 365	Financial Reporting	<ul style="list-style-type: none"> • Design effectiveness review
Capita Cloud	Accounts Receivable and Revenue and Benefits	<ul style="list-style-type: none"> • Design effectiveness review
Northgate NEC	Housing Revenue Account	<ul style="list-style-type: none"> • Design effectiveness review

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

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Financial sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services.



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

Risks of significant weakness in VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor's work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">102</p> <p>Financial sustainability</p>	<p style="text-align: center; color: white; font-weight: bold; font-size: 2em;">R</p> <p>One significant weakness raised in relation to the councils DSG deficit, cashflow and level of reserves.</p>	<p>The Dedicated Schools Grant deficit position has continued to increase in 2025/26 and is forecast to increase from £113.3m at 1 April 2025 to £183.1m by March 2026 and reach £379m on the 31/3/2028. This deficit position also has a negative impact on the Council's cashflow position and has increased its temporary borrowing.</p> <p>There remains an ongoing concern about the fundamental threat to the Council's financial sustainability arising from the historic and growing DSG deficit, alongside the projected in-year overspend and the significant funding gaps forecast from 2026/27 onwards.</p>	<p>We will review:</p> <ul style="list-style-type: none"> the Council's plans and discussions with the Department for Education regarding the rising DSG deficit; the impact of the DSG deficit on the Council's cashflow position; and its level of temporary borrowing and its Capital Finance Requirements (CFR) limit and any other actions taken to address its cash flow issues. <p>We will also:</p> <ul style="list-style-type: none"> the Council's outturn revenue position on 31 March 2026; assess reserve levels as at 31 March 2026 and the strategies to rebuild them; consider the robustness of the Medium-Term Financial Plan and the assumptions that underpin it; and consider the proposals and support provided by central government, as these proposals emerge and are agreed.

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

Risks of significant weakness in VFM arrangements

(continued)

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned	
103	Governance	A No risks of significant weakness reported, four improvement recommendations made.	No risks of significant weakness identified.	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and to review action taken against recommendations raised.
	Improving economy, efficiency and effectiveness	R One significant weakness raised in relation to the statutory direction in relation to the SEND (special educational needs and disability] service.	A risk of significant weaknesses in arrangements remains for the statutory direction in relation to SEND (special education needs and disabilities) service.	<p>We will:</p> <ul style="list-style-type: none"> • assess whether performance against the SEND improvement plan has progressed and whether actions previously identified as outstanding have now been completed; • review the outcome of the SEND CQC Ofsted inspection in detail, published on 6 February 2026 and consider its impact on the statutory direction: and • assess if the statutory direction is still in place/applicable.

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

Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we have identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Council's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

Potential types of recommendations

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Statutory recommendation

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



Key recommendation

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

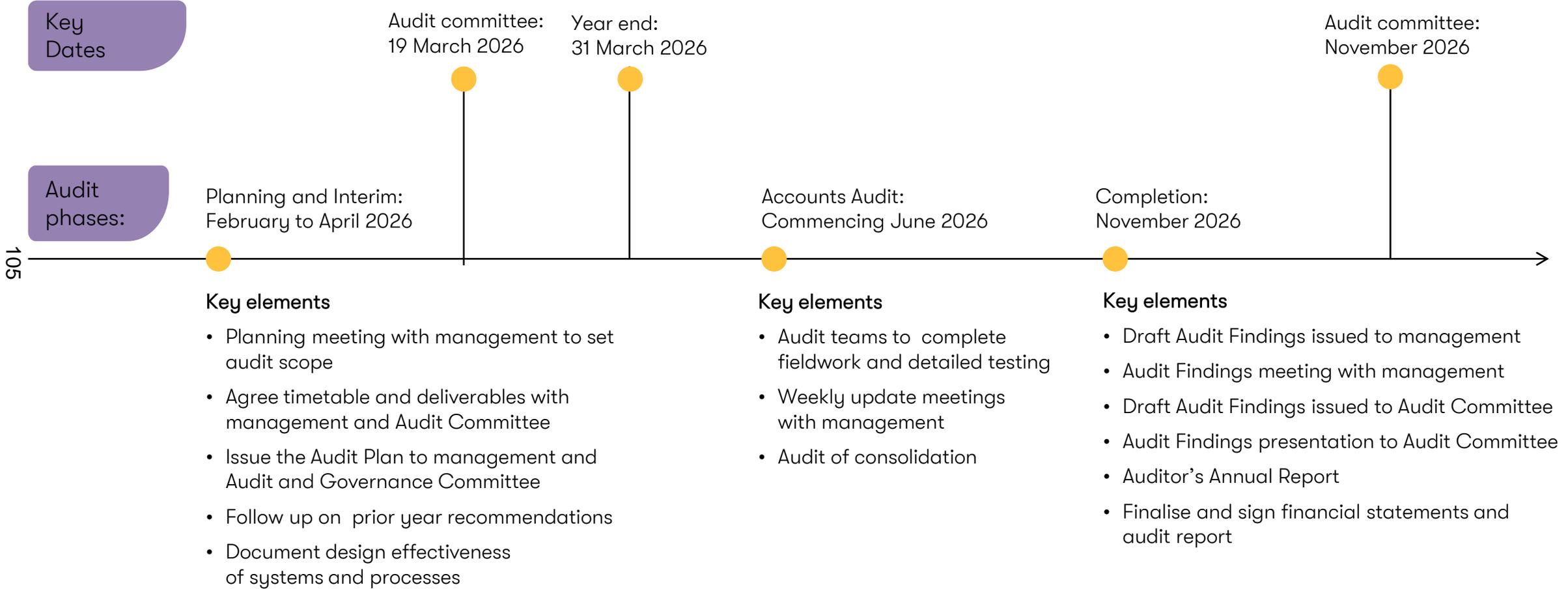


Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

Logistics

The audit timeline



Our team and communications

Grant Thornton core team

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<p>Barrie Morris Engagement Lead/Key Audit Partner</p>	<p>Roz Apperley Audit Manager</p>	<p>Adams Azubilla In-charge</p>	<p>Ginette Beal VFM Specialist</p>
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- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> • Key contact for senior management and Audit Committee • Overall quality assurance | <ul style="list-style-type: none"> • Resource management • Leading on running of the audit | <ul style="list-style-type: none"> • Day-to-day point of contact • Audit fieldwork | <ul style="list-style-type: none"> • VFM Specialist • Main contact for VFM reporting |
|--|--|--|--|

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"> • Annual client service review 	<ul style="list-style-type: none"> • The Audit Plan • The Audit Findings Report • Audit Opinion • Auditors Annual Report • Progress and Sector Update Reports 	<ul style="list-style-type: none"> • Audit planning meetings • Audit clearance meetings • Communication of issues log 	<ul style="list-style-type: none"> • Technical updates
Informal communications	<ul style="list-style-type: none"> • Open channel for discussion 		<ul style="list-style-type: none"> • Communication of audit issues as they arise 	<ul style="list-style-type: none"> • Notification of up-coming issues

Our fee estimate

Our fee estimate

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare good quality sets of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

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Previous year

In 2024/25 the scale fee set by PSAA was £469,068. The actual fee charged for the audit, including additional fee elements for the new system implementation, housing benefits testing where we are not the auditor and new accounting standards was £533,367.

As the audit report from the 2024/25 audit is a disclaimer of opinion due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you.

	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
BCP Audit	469,068	482,201
Additional fee in respect of Housing Benefits testing	15,456	15,500
Additional fee in respect of new system implementation	25,480	-
Use of Auditors expert not included in scale fee	6,201	6,300
Additional fee for new accounting standards	17,162	-
Total (Exc. VAT)	533,367	503,951

Our fee estimate (continued)

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

108 Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £482,201. This does not include some locally determined elements of audit work that may require additional fees.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued (but not before 1 December 2025)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we confirm there are no matters that we are required to report.

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

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

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

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

Fees and non-audit services

The following tables below sets out the non-audit services that we have been engaged to provide or charged from the beginning of the financial year to February 2026, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the council’s policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Bournemouth, Christchurch and Poole Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threats identified.

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
110 Certification of Housing Capital receipts grant	10,000 (2024/25)	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the scale fee for the audit of £482,201 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. To mitigate against the self-review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
	*TBC (2025/26)	Self-review (because GT provides audit services) Management	

This covers all services provided by us and our network to the council, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

Fees and non-audit services (continued)

Assurance Service Fees

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Service	Fees £	Threats Identified	Safeguards applied
Certification of Teacher's Pension Return	12,500 (2024/25) *TBC (2025/26)	Self-Interest (because this is a recurring fee) Self-review (because GT provides audit services) Management	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the scale fee for the audit of £627,256 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. To mitigate against the self-review threat, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
CFO Insights	10,000	Self Interest Self Review Management	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the scale fee for the audit of £482,201 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Total 2025/26	TBC		

Total audit and non-audit fee

(Audit fee)	£503,951	(Non-Audit fee) *TBC – This is subject to the release of reporting accountant guidance and signed engagement letter.
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Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
112 Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance (Continued)

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

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Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Group’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Escalation Policy

The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Council's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

114 To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

Financial reporting changes

Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

115 Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for 2026/27.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for 2026/27.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from 2027/28.

Group audit scope and risk assessment

Component	Risk of material misstatement to the group	Planned audit approach and level of response required under ISA (UK) 600 Revised	Response performed by	Risks identified	Auditor
BCP Council	Yes	Audit of the entire financial information of the component.	Group auditor	<ul style="list-style-type: none"> Management override of control Valuation of land and buildings including council dwellings Valuation of investment properties Valuation of the Pension Fund net liability 	Grant Thornton UK
Five Parks Charity	Yes	The Charity holds material tangible assets therefore specific audit procedures will be undertaken on these.	Group auditor	<ul style="list-style-type: none"> Valuation of land and buildings including council dwellings Management override of control 	N/A – not involving component auditors
119 The Lower Central Gardens Trust	Yes	The Charity holds material tangible assets therefore specific audit procedures will be undertaken on these.	Group auditor	<ul style="list-style-type: none"> Valuation of land and buildings including council dwellings Management override of control 	N/A – not involving component auditors
The Russell Cotes Art Gallery & Museum Charitable Trust	Yes	The Charity holds material heritage assets therefore specific audit procedures will be undertaken on these.	Group auditor	<ul style="list-style-type: none"> Heritage Assets 	N/A – not involving component auditors
Tricuro Ltd	No	Not material	N/A	<ul style="list-style-type: none"> N/A 	N//A – not involving component auditors

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

Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year during our planning procedures performed to date. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.



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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Procurement and Contract Management Strategy Delivery Plan (6-monthly progress report)
Meeting date	19 March 2026
Status	Public Report
Executive summary	<p>Section 5.4. of BCP’s Procurement & Contract Management Strategy 2024 – 2028 describes a Delivery Plan approved by the Procurement and Contracts Board with progress reported to Audit and Governance at 6-month intervals.</p> <p>This report provides Audit & Governance Committee with an update on progress made in delivering the 57 commitments described within BCP’s Procurement and Contract Management Strategy 2024 - 2028.</p> <p>Additionally, this report provides Audit & Governance Committee with performance monitoring indicators for the nine measures described within Section 5.5 of BCP’s Procurement & Contract Management Strategy 2024 – 2028.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Audit & Governance Committee notes the update provided with respect to delivery of BCP’s Procurement and Contract Management Strategy 2024 – 2028.</p> <p>(b) Audit & Governance Committee notes performance against the nine measures described within Section 5.5 of BCP’s Procurement & Contract Management Strategy 2024 – 2028.</p>
Reason for recommendations	<p>To provide Audit & Governance Committee with an update on progress made in delivering the 57 commitments described within BCP’s Procurement and Contract Management Strategy 2024 - 2028.</p> <p>To provide Audit & Governance Committee with performance monitoring indicators for the nine measures described within Section 5.5 of BCP’s Procurement & Contract Management Strategy 2024 – 2028.</p> <p>To advise Audit & Governance Committee of emerging national issues and developments that may become relevant to the Council.</p>

Portfolio Holder(s):	Cllr Jeff Hanna, Portfolio Holder for Transformation, Resources and Governance
Corporate Director	Aidan Dunn, Chief Executive Officer
Report Authors	Stuart Bickel, Head of Procurement and Contract Management
Wards	Council-wide
Classification	For Information

Background

1. Procurement & Contract Management Board was established in March 2024, with oversight of all Procurement & Contract Management activity across BCP Council.
2. BCP's Procurement & Contract Management Strategy 2024 – 2028 was approved by Cabinet in September 2024.
3. The Procurement Act 2023 was implemented on 24 February 2025.
4. The Procurement & Contract Management Board provides an annual update to Corporate Management Board (most recently July 2025).
5. Section 5.4. of BCP's Procurement & Contract Management Strategy 2024 – 2028 describes a Delivery Plan approved by the Procurement and Contracts Board with progress reported to Audit and Governance at 6-month intervals.
6. Section 5.5 of the BCP's Procurement & Contract Management Strategy 2024 – 2028 describes nine measures by which delivery will be measured and monitored.
7. BCP's Head of Procurement and Contract Management is responsible for providing 6-monthly updates to those charged with governance (Audit & Governance Committee) on progress made in delivering the 57 commitments described within BCP's Procurement and Contract Management Strategy 2024 – 2028 – and the nine performance measures described within Section 5.5 of the Strategy.
8. BCP's Procurement and Contract Management Board is updated on progress made in delivering the 57 commitments described within BCP's Procurement and Contract Management Strategy 2024 – 2028 on a 3-monthly basis.

Delivery Plan Progress Report as of March 2026

9. The Delivery Plan categorises the 57 commitments into high, medium and low priority, of which:
 - a. 32 are marked as completed,
 - b. 19 in progress and
 - c. 6 not started.

10. Of the high priority commitments:
 - a. 19 are marked as completed,
 - b. 6 in progress and
 - c. 0 not started.
11. Of the medium priority commitments:
 - a. 13 are marked as completed,
 - b. 12 in progress and
 - c. 1 not started
12. Of the low priority commitments:
 - a. 0 are marked as completed,
 - b. 1 in progress and
 - c. 5 not started.
13. The focus over the past six months has been to develop and implement various commitments in relation to contract management and social value.
14. The focus over the coming six months will be to embed and operationalise the new requirements relating to contract management and social value.

Performance measures

15. Section 5.5 of the BCP's Procurement & Contract Management Strategy 2024 – 2028 presents nine performance measures. Several measures are geared towards efficiencies, others (i.e. measures 3 and 5) are geared towards:
 - a. Using procurement to award contracts to local suppliers. This is an enabler to help BCP Council boost local economic growth.
 - b. Using procurement to leverage social value. This is an enabler to help BCP Council improve community wellbeing, support local priorities, and deliver wider public benefit - such as increasing local skills, local job creation and local employment.
16. The following table presents the nine performance measures together with baseline measures (where available), current year to date (YTD) performance and trend:

Ref	Measures	2024/25 Baseline	2025/26 YTD	Trend
1	<p>Increase the number of staff engaging with the Procurement Service as soon as a need to procure is identified.</p> <ul style="list-style-type: none"> • Proxy: The number of procurements above £30k where BCP's procurement options were not compromised by time constraints (a) expressed as a percentage of the 	Not measured	93%	Not available

	total number of procurements above £30k (b)			
2	Increase in the number of pre-procurement market engagement activities undertaken.	Not measured	1 instance	Not available
3	Increase in: <ul style="list-style-type: none"> • local¹ spend, and • number of contracts awarded to local suppliers. 	47% 48%	59% 49%	Increased Increased
4	Increase in the number of contracts awarded to small and medium-sized enterprises (SMEs). (SME contracts – value)	48% (30%)	46% (32%)	Reduced Increased
5	Increase the number of contracts that seek to leverage social value benefits.	Not measured	17 instances	Not available
6	Reduce the number of multiple contracts for the same or similar council requirements. <ul style="list-style-type: none"> • Proxy: The number of live corporate contracts (a) expressed as a percentage of the total number of opportunities identified to use procurement to leverage savings / efficiencies through corporate contracts (b) 	48%	52%	Increased
7	Increase the percentage of spend that is categorised as on-contract spend (as opposed to off-contract spend).	Not measured	In development – dependency on Dynamics development	Not available
8	Increase the level of savings attributable through effective procurement.	Not measured	Under review – savings are claimed by service Business	Not available

¹ 'Local' is defined and measured differently by different parties. BCP's Financial Regulations define local as '... operating within the BH, DT and SO postcode regions' whereas Tussell / Local Gov analysis relies on procurement spend (invoice) data published on BCP's transparency website segmented by supplier region, using Companies House data. For BCP, this means suppliers registered in the Southwest.

			Cases	
9	Reduction in the number and value of contracts extended without being reviewed and offered to the market. <ul style="list-style-type: none"> Proxy: The number of contracts extended that are justified by satisfactory supplier performance reviews (a) expressed as a percentage of the total number of contracts extended (b) 	Not measured	100% (63 instances)	Not available

UK public-sector procurement update

17. New goods, services, and works thresholds apply to procurements starting on or after 1 January 2026. These financial values are subject to change every 24 months and automatically reflected in BCP's Financial Regulations.

18. UK 17 Payments Compliance reporting:

- a. The core benefit of these mandatory transparency notices is to greater transparency that drives faster, more reliable payments to suppliers.
- b. Commenced on 1 October 2025.
- c. 1st notice due 30 days after 31 March 2026.
- d. 2nd notice due 30 days after 30 September 2026.

19. UK 9 Contract Performance reporting:

- a. The core benefit of these mandatory transparency notices is to enhance transparency and accountability over supplier performance, improving decision-making, risk management, and the integrity of future procurements.
- b. Commenced on 1 October 2025 for breaches.
- c. KPI reporting commenced 24 February 2026 (for contracts above £5M).

20. UK 8 Contract Payment Notice (for contract payments over £30,000)

- a. The core benefit of these mandatory transparency notices is to increase transparency of high-value payment flows, enabling better oversight, improved data consistency, and stronger accountability for timely and proper use of public funds.
- b. Currently in UK Gov testing and will be launched on 1 April 2026.
- c. 1st notice due at the end of July 2026.

21. Procurement Compliance Service (PCS)

- a. PCS forms a core part of the UK Government's Procurement Review Unit (PRU).
- b. The PCS' primary benefit is that it provides a robust, central oversight mechanism that identifies and addresses systemic non-compliance,

helping to raise procurement standards and protect the integrity of public spending under the Procurement Act 2023.

- c. The ability to raise a concern is now available to anyone via a [webform](#) hosted at <https://www.gov.uk/guidance/procurement-review-unit>

Options Appraisal

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

Summary of financial implications

23. There are no direct financial implications from this report. Note however that Procurement and Contract Management performance, including spend reduction, would be improved if the Council invested in growing capacity within the team.

Summary of legal implications

24. There are no direct legal implications from this report. Note however that Procurement and Contract Management performance, including risk reduction through better compliance, would be improved if the Council invested in growing capacity within the team.

Summary of human resources implications

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

Summary of sustainability impact

26. There are no sustainability impact implications from this report.

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

29. There are no risk implications from this information report.

Background papers

[Procurement and contract management strategy | BCP](#)

Appendices

There are no appendices to this report.

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Risk Management - Corporate Risk Register Update
Meeting date	19 March 2026
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"> • CR08 – We may fail to run a fair and open election/referendum. This risk has been added during this quarter. • No risks have been removed or de-escalated during the quarter. • Material updates for this quarter are outlined in section 13.
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	Aidan Dunn, 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. BCP Council has in place a new Risk Management Policy. It includes a new level of risk which will sit at the top of the risk framework and all lower level risks will be aligned to one or more of these Enterprise Risks.
4. As this is a new approach it will take some time to fully implement and it is recognised that the policy, the Enterprise Risks, the risk appetite and other areas may need adjustment or refinement over the next 12 months. Corporate Management Board (CMB) will approve any adjustments and these will be brought to the attention of this committee as part of the usual regular risk reporting process.
5. In view of the timing of this update, there has been no change in the way the Corporate Risk Register is being reported.
6. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

7. 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.

8. 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.
9. To assist in the understanding of prioritisation of risk, the council's risk matrix and definitions is shown at Appendix 2.
10. At Appendix 3 a dashboard is included with summarised information.
11. 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. This illustration includes the new Enterprise Risk level that will be referenced in future reports to this committee.
12. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the committee a table of the full risks is shown at the beginning of Appendix 4. This is ranked according to the net risk score from the highest to the lowest.

Changes in Risk During Quarter 4 – 2025/2026

13. 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) CR08 – We may fail to run a fair and open election/referendum. This risk is added for the quarter to reflect the ongoing preparations for the Town Council elections taking place in May 2026.
 - b) Risk CR20 – Potential of climate change to outstrip our capability to adapt. In addition to the usual quarterly update the Director of Marketing, Comms and Policy has also provided a response to the question previously posed by this committee. In relation to how this risk is communicated to the public, the Director of Marketing, Comms and Policy advises as follows:

BCP Council communicates the specific risks around flooding events in line with its warn and inform duties, working with the Environment Agency and other partners to warn residents and businesses of potential flooding and provide information and instruction on what to do to prepare for and respond if flooding occurs. We also promote the work done by our Flood and Coastal Erosion Risk Management (FCERM) team, most recently their joint strategy with New Forest District Council.

In terms of communicating the broader risk presented by climate change, we promote the work we are doing to reach our net zero targets, such as launching the Local Area Energy Plan (LAEP) or our active travel projects. We also have a live, public Climate Dashboard and publish our Annual Climate Report (the current 2024/25 report is going through the scrutiny process at the moment).
 - c) CR24 – We may fail to adequately address concerns around community safety. This risk is currently lead jointly by the Director of Housing & Public Protection and the Director of Public Health and Communities. Discussions are ongoing to determine a single lead for this risk going forward. An update will be provided to the next meeting of this committee.
 - d) CR27 – We may fail to adequately address concerns around environmental impacts – cliff management/instability. The Director of Commercial Operations has provided the following further update:

The cliff asset database which indicates risk levels for each section of cliff has been developed, this is a live document which is updated regularly in line with inspections. The Cliff Management Strategy is in its final stages of development and is due to be finalised by April 2026. These items and the other approaches to monitoring and mitigations have provided an overall updated target score of 12 against the current net score of 16.

14. 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.
15. 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 may impact across several risks and in turn compound the overall risk position for the council in a negative way.
16. Full details of the updates for this quarter can be found in Appendix 4.

Director Level Risk Review

17. 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.
18. 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 39% of the total Director level risks.
 - b) An exercise will be undertaken to ensure all Director level risks have been reviewed within the required timeframes.

Key Assurance Risk Review

19. 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
20. At the time of the CMB review the Information Governance Board Risk Register was not updated. It is being updated now ready for the next review cycle.
21. 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

22. 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.

23. 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.
24. 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.
25. In support of the continuing development of the risk framework, the Corporate Strategy Delivery Board continues to complete reviews of risks as part of the standard agenda.

Risk Management Process and Development

26. As set out in paragraph 3., BCP Council has in place a new Risk Management Policy. It includes a new level of risk which will sit at the top of the risk framework and all lower level risks will be aligned to one or more of these Enterprise Risks.
27. As this is a new approach it will take some time to fully implement and it is recognised that the policy, the Enterprise Risks, the risk appetite and other areas may need adjustment or refinement over the next 12 months. CMB will approve any adjustments and these will be brought to the attention of this committee as part of the usual regular risk reporting process.
28. An initial limited workshop was held on 25 February 2026 to begin the refinement of the Enterprise Risks. A further workshop will now be held with CMB to agree the final position on Enterprise Risks. Following this, the work to align all lower level risks will begin.
29. Progress on this exercise will be reported to the next meeting of this committee.

Service Development

30. 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.
31. 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.

32. The new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
33. The suite of dashboards and reports have been identified and will now be considered by ICT in terms of the further development phase which is now underway.
34. Further work on the Risk App will be identified in order to support the implementation of the enterprise level risks.

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

41. 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 15 January 2026.

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

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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 objectives • Those which go against our values • Those relating to the legal and regulatory frameworks we work within • Those relating to our own policy and internal control framework <p>Consider what could go wrong or what more could we achieve?</p>	<p>Combination of the impact and likelihood of an event and its consequences (Gross or Inherent risk)</p> <table border="1" data-bbox="667 480 1093 842"> <thead> <tr> <th colspan="2"></th> <th colspan="4">THREATS</th> </tr> </thead> <tbody> <tr> <td rowspan="4">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></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> </tbody> </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 plans • Regular monitoring as part of business as usual <p>Council risk monitoring</p> <ul style="list-style-type: none"> • Risk registers reviewed in Directorates quarterly • Challenge process via Risk Team • Regular reporting to CMB <p>Council's Corporate Risks</p> <ul style="list-style-type: none"> • Regular review by CMB • Quarterly review by Risk leads • Quarterly monitoring by Audit and Governance Committee
		THREATS																																								
Likelihood	Almost Certain (4) >90%	4	8	12	16																																					
	Likely (3) 60-90%	3	6	9	12																																					
	Could Happen (2) 20-60%	2	4	6	8																																					
	Unlikely /Rarely (1) 0-20%	1	2	3	4																																					
		Low (1)	Medium (2)	High (3)	Extreme (4)																																					
		Impacts																																								

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Risk Scoring Matrix and Impact and Likelihood Scoring Definitions

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

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

Impact of Risk

Impact Scoring Guidance

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

Likelihood of Risk

Likelihood Scoring Guidance

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

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Risk Ref	Risk Title	Risk Lead	Cabinet Member	Residual or Net Risk Scores				Direction of travel during Year
				Q01: 2025-	Q02: 2025-	Q03: 2025-	Q04: 2025-	
CR23	Risk CR23 - Potential implications of the Dedicated Schools Grant financial deficit	Chief Executive	Councillor Mike Cox	16	16	16	16	↔
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	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	↔
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 and Culture	Councillor Jeff Hanna	12	12	12	12	↔
CR20	Risk CR20 - Potential of climate change to outstrip our capability to adapt	Director of Marketing, Comms & Policy	Councillor Andy Hadley	12	12	12	12	↔
CR18	Risk CR18 - We may fail to provide adequate customer interfaces	Director of Customer & Property Operations	Councillor Andy Martin	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	↔
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	8	8	8	↓
CR08	Risk CR08 - We may fail to run a fair and open election/referendum	Chief Executive	Councillor Jeff Hanna	N/A	N/A	N/A	8	New
CR21	Risk CR21 - Impact of global events causing pressure on BCP Council & increase in service requirements	Director of Housing & Public Protection	Councillor Kieron Wilson	6	6	6	6	↔
CR28	Risk CR28 - We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	Chief Operations Officer	Councillor Millie Earl	N/A	6	6	6	↔
CR16	Risk CR16 - Partnerships may not support delivery of the corporate strategy, objectives or priorities	Director of Marketing, Comms and Policy	Councillor Millie Earl	4	4	4	4	↔
CR25	Risk CR25 - We may be unable to effectively transform services to achieve efficiencies and improve service standards	Corporate Management Board Collective	Councillor Jeff Hanna	4	4	4	4	↔
CR24	Risk CR24 - We may fail to adequately address concerns around community safety	Director of Housing & Public Protection/Director of Health & Communities	Councillor Kieron Wilson Councillor Andy Hadley	2	2	2	2	↔

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Audit and Governance Committee – March 2026

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	12	Glynn Barton, Chief Operations Officer	Corporate Risk
CR23	Potential implications of the Dedicated Schools Grant financial deficit	16	8	Aidan Dunn, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Adam Richens, Director of Finance)	Corporate Risk
CR09	We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	12	12	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
CR20	Potential of climate change to outstrip our capability to adapt	12	8	Isla Reynolds, Director of Marketing, Comms and Policy	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
CR02	We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	8	8	Cathi Hadley, Corporate Director for Children's Services	Corporate Risk
CR08	We may fail to run a fair and open election/referendum	8	4	Aidan Dunn, Chief Executive	Corporate Risk
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	6	6	Kelly Deane, Director of Housing & Public Protection	Corporate Risk

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR28	We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	6	6	Glynn Barton, Chief Operations Officer	Corporate Risk
CR25	We may be unable to effectively transform services to achieve efficiencies and improve service standards	4	4	Corporate Management Board Collective	Corporate Risk
CR16	Partnerships may not support delivery of the corporate strategy, objectives or priorities	4	2	Isla Reynolds, Director of Marketing, Comms and Policy	Corporate Risk
CR24	We may fail to adequately address concerns around community safety	2	2	Kelly Deane, Director of Housing & Public Protection/Rob Carroll, Director of Public Health & Communities	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
CR19	We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	N/A	N/A	N/A	Risk Removed Q1 2025
CR22	Failure of local care market to meet increasing demand	N/A	N/A	N/A	Risk removed Q4 2023

AUDIT AND GOVERNANCE COMMITTEE

March 2026

CORPORATE RISK REGISTER UPDATE Q4 – 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 base budgeted funding to look after existing cliff drainage infrastructure and undertake the 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

A Cliff Management Strategy (CMS) is being developed by the Flood and Coastal Erosion Risk Management Team (FCERM) to inform engineering investment needs. A Specialist Geotechnical Engineer has been employed to lead on strategy delivery and provide future technical advice. The Cliff Management Working Group has been 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 2026
List All Significant Actions Below:		
Action 1:	Cliff asset database developed indicating risk levels for each section of cliff. This is a dynamic document and to be updated regularly in line with inspections.	Completed
Action 2:	CMS to demonstrate funding needs for immediate priority issues and future likely needs.	Completed - Priority funding requirements identified for both maintenance and capital works over the next 20 years
Action 3:	Maintenance regime to be identified - Maintenance regime identified as part of the CMS. Maintenance requirements identified by ongoing inspections are discussed each quarter at the Cliff Management Working Group and are agreed in line with what funding is available.	Complete
Action 4:	Long term maintenance regime to be funded - Current funding is tackling the very top priorities of a long list. Further funding needs to be secured to address ongoing needs identified in Action 2.	Ongoing
Action 5:	Monitoring of cliffs via visual inspection as well as GPS and drone technology, in line with CMS recommendations.	Ongoing
Action 6:	Delivery of the CMS.	April 2026

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

Cabinet and Council approved the allocation of £1.446m towards cliff stability works, a review of the required areas of spend of this funding across the 2025/26 and 2026/27 financial years has been agreed and work is moving forward to deliver this. Elements of the spend are to undertake assessments and develop future mitigations strategies to assist is cliff stabilization. This will require additional funding.

CMS is due for completion 31 March 2026. It will contain live documents including: a new cliff asset management database that incorporates a dynamic risk register, a new cliff management manual that sets out how every aspect of cliff management is delivered across all BCP Council services as an internal operational guide, and new public facing guide for residents, home-owners and other public stakeholders with an interest in how the cliffs are managed.

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		Once works have been carried out to investigate and complete maintenance on sand drains, the likelihood of impacts should be slightly reduced although it should be noted that due to the nature of the cliffs and the natural environment a risk remains of slips

Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit

Risk Owner – Aidian Dunn, 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

Links to Corporate Objective(s):

Using our resources sustainably to support our ambitions

Risk Information

In respect of 2024/25 the July 2025 Financial Outturn report to Cabinet set out that the council spent £111.8m on Special Educational Needs and Disability (SEND) revenue expenditure, which was **£49.8m** more than the £62m Dedicated Schools Grant (DSG) grant allocation and £5.2m more than the quarter three forecast.

In respect of 2025/26 the February 2025 Budget and Medium-Term Financial Plan (MTFP) Update report set out that the council was originally forecasting revenue spending of £123.2m on SEND services. This was **£57.5m** more than the £65.7m revenue grant provided by the Department for Education (DfE) as part of the DSG, High Needs Block allocation.

The 2025/26 quarter three budget monitoring report presented to Cabinet on 4 February 2026 set out that the deficit in 2025/26 is now **£70.3m** once funding adjustments and prior year adjustments are considered.

This means the accumulating DSG deficit which was **£113.3m** on the 31 March 2025 is now forecast to be **£183.6m** on the 31 March 2026.

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. In June 2025 the government set out plans, as part of a consultation of the Fair Funding Formula, to extend the period covered by this SI to 31 March 2028.

2025/26 was a watershed moment, it is the first time the council started 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 was the first time the council started a financial year in a technically insolvent position. The total reserves and balances of the council were **£83m** as of 31 March 2025.

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 capitalization direction which would be formal permission to borrow to fund the £57.5m original 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 committed to putting forward in 2025 a plan to return the national SEND system to financial sustainability.

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 promised to address in 2025.

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: 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 (MHCLG) setting out the ongoing concerns about the SEND deficit.

Cabinet Report: October 2025: MTFP Update. Provided details of a conversation with representatives of MHCLG further to the letter included in the July report.

Cabinet Report: December 2025: DSG High Needs Expenditure Forecast 2025/26. Seeking Council approval for a £14.3m in-year increase in the originally approved overspend and

requests the Corporate Director of Children's Services implement deficit management measures.

Cabinet Report: December 2025: MTFP Update. Provided an update based on:

- a) 20 November 2025 Local Government Policy Statement. This included the statement that Government recognises local authorities are continuing to face significant pressure from the impact of DSG deficits on their accounts and that these authorities will need continued support during the transition to a reformed SEND system. This will include working with local authorities to manage their SEND system and deficits. The statement referenced that the government would set out further details on its plans to support local authorities with historic and accruing deficits in the provisional 2026/27 local government finance settlement.
- b) 26 November 2025: National Autumn Budget. This sets out that the government are proposing that they will take over the responsibility for day-to-day funding of SEND from 1 April 2028 onwards, which is when the current statutory override ends. The current accumulated deficit and any further increase in the deficit between now and the 31 March 2028 will be retained by BCP Council with any support for these elements announced as part of the December 2025 provisional local government finance settlement for 2026/27.

Provisional Local Government Finance Settlement 2026/27: Conditions for accessing any support with historic and accruing deficits would be provided later in the settlement process with any such support linked to the submission and quality of a Local SEND Reform Plan to be completed within the two months after the release of the school's white paper early in 2026 and based on five principles:

- **Early.** Children should receive the support they need as soon as possible. Intervening upstream, including earlier in children's lives when this can have most impact, will start to break the cycle of needs going unmet and getting worse.
- **Local.** Children and young people with SEND should be able to learn at a school or college close to their home, alongside their peers, rather than travelling long distances from their family and community. Special schools should continue to play a vital role supporting those with the most complex needs.
- **Fair.** Every school education setting should be resourced and able to meet common and predictable needs, including as they change over time, without parents having to fight to get support for their children. Where specialist provision is needed for children and young people in mainstream, special or alternative provision, we will ensure it is there, with clear legal requirements and safeguards for children and parents.
- **Effective.** Reforms should be grounded in evidence, ensuring all education settings know where to go to find effective practice that has excellent long-term outcomes for children and young people.
- **Shared.** Education, health and care services should work in partnership with local government, families, teachers, experts and representative bodies to deliver better experiences and outcomes for all our children and young people.

Risk Response Strategies

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

	Chosen strategy/ies:
<p>Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.</p>	<p>Not possible to eliminate the funding gap through reduced expenditure as there are statutory requirements. Strategy is to secure additional DSG grant.</p>
<p>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.</p>	<p>Not possible - the solution must be additional funding or a completely redesigned system.</p>
<p>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.</p>	<p>The service are implementing a management plan to build and address sufficiency as appropriate.</p>
<p>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.</p>	<p>No – it cannot be tolerated, and government have to deliver a solution.</p>

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

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

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue to reflect on good practice examples of how any annual deficit can be kept to a minimum.	Ongoing
Action 2:	Monitor activity and statements delivered by the government	Ongoing
Action 3:	Local SEND Reform Plan	May 2026
Action 4:		

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

On the 9 February 2026 government announced the final Local Government Finance Settlement for 2026/27 which was the latest date the settlement has been received since 2017/18. This included the following:

Support for the council’s historic and accruing DSG deficits in waves. The first phase of which has been designed to address historic deficits and will take the form of a new High Needs Stability Grant to cover 90% of the deficit as of the 31 March 2026. This grant is not guaranteed and will be subject to BCP Council submitting and securing the DfE approval of a Local SEND Reform Plan. If agreement is reached the grant will be paid during the autumn of 2026 and will need to be held as a grant received in advance within reserves and applied to the residual balance on the 31 March 2028.

Government also acknowledged that the SEND reform plans will take time to fully embed and local authorities will need further support. For deficits that arise in 2026/27 and 2027/28, it was highlighted that local authorities can expect that government will continue to take a similarly appropriate and proportionate approach to such support, although it was recognised that this support would not be **unlimited**.

In respect of the statutory override, which allows the council to ignore the DSG deficit, within its statutory accounts, it was confirmed that this will cease on the 31 March 2028. **The advice to local authorities from government is that they need to plan to be able to meet the cost of**

the residual deficit from their own resources in 2028/29 including setting aside appropriate reserves in the preceding years. If the council also receives 90% of its forecast accruing DSG deficits in 2026/27 and 2027/28 then the council will need reserve funding of £37.9m in 2028/29 to specifically cover the residual deficit.

The impact of the potential support for historic accumulated deficit as of 31 March 2026 is assumed to be a contribution of **£165.24m** (£183.6m * 90%) and impacts of the previously assumed deficits as follows:

	Previous Estimate	Latest Estimate
31 March 2025	£113.3m (Actual)	£113.3m (Actual)
31 March 2026	£183.6m	£183.6m
31 March 2027	£279.3m	£114.1m
31 March 2028	£379.3m	£214.1m

Although this contribution is welcome and positive the council will still be technically insolvent as these net deficits will still be greater than the council's forecast reserves. Based on the sentiment in the final 2026/27 local government finance settlement the council would anticipate receiving a further £176.13m contribution in 2028/29 towards the deficits of £95.7m in 2026/27 and £100m in 2027/28. It is assumed that ultimately the council will be required to manage from its own funds £37.93m which is 10% of the previously assumed 31 March 2028 deficit. Council is continuing with the strategy of delivering a pipeline of capital receipts from the disposals of surplus council assets as a means of mitigating, insofar as is possible, the likely minimum of £38m now needed from local funds by 2028/29.

An additional consequence of the payment is it reduces the amount of borrowing and subsequent interest that the council will need to incur to finance the DSG deficit. As a matter of prudence, it has been assumed that this payment will be made towards the end of the 2026/27 financial year and therefore the impact, estimated at £6.6m per annum, will not materially impact before the 2027/28 financial year. From a risk perspective it should be emphasised that the £165.24m High Needs Stability Grant is not guaranteed and is subject to the agreement of a Local SEND reform Plan with DfE.

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 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, 16 July 2025, 29 October 2025, and the 17 December 2025 were provided with updates on the MTFP which tends to ebb and flow through to formal Budget Council in February each year. This included updates on the impact of the government's new funding formula, the November 2025 provisional local government policy statement and the Chancellor's Autumn Budget. As per the December 2025 MTFP Update report, the funding gap for **2026/27** had increased to £8.9m.

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.
- Regular MTFP update reports to Cabinet.
- Quarterly budget monitoring reports to Cabinet including progress against budget savings.
- Bi-weekly Corporate Management Board/Cabinet meetings.

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: 2025/26 Financial Outturn	July 2026

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

Council approved its legally balanced **2026/27** Budget at Council on 24 February 2026, based on the following main aspects.

6.74% Council Tax increase (4.74% basic and 2% Social Care Precept). This included an additional 1.75% flexibility given to BCP Council following a requested to be allowed, in support of the challenges caused by the historic and accruing DSG deficits, to increase the amount to cover the amount a previous Administration did not charge over the two-year period 2021/22 and 2022/23.

£14m of savings, efficiencies, service reductions, and additional fees and charges across services including £4.4m which has been established as transformation and invest-to-save related.

£22m planned increase in council spending across all service areas excluding pay-related costs, this includes:

- £11.5m (6.5% increase) to cover demand and inflationary cost pressures in wellbeing services including adult social care and homelessness services.
- £9.2m (8.2% increase) to cover demand and inflationary cost pressures in children’s services.
- 2.8% assumed pay award for 2026/27.
- Continuation of the utilisation of the one-off business rates collection fund surplus as per the 2024/25 approved budget. In 2025/26 these resources are being used to continue to facilitate the delivery of council regeneration activity and the externalisation of the Russell Cotes Museum ambitions, as well as assisting with the one-off costs associated with Pay and Reward and to fund the in-year 2025/26 quarter three forecast £4.573m overspend. Additional £6.829m of resources are also being applied to support the 2026/27 budget.

- Temporary borrowing of £95.7m to finance the 2026/27 excess SEND High Needs DSG revenue expenditure above the government grant being made available. This is also based on previous assurance from government that the council can exceed its borrowing thresholds temporarily based on their commitment to return the SEND system to financial sustainability.

Direction of Travel

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

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

Risk 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

The People Strategy was launched in December 2023 covering the period from 2024 to 2027. The People Strategy is closely aligned to the corporate vision and ambitions, and the previous 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 but following Council approval on 22 July 2025 and the introduction of Pay and Reward on 1 December 2025, the threat of industrial action has been removed and the potential for significant numbers of equal pay claims 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 implementation of Pay and Reward now gives clarity to our colleagues on pay and terms and conditions. It is acknowledged, however, that there are colleagues who still remain dissatisfied 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 beyond implementation and 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, but 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 the final 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 the 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 now known. Successful appeal outcomes will mean greater financial impacts on 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.

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.

Other People Strategy delivery

The People and Culture team have prioritized the delivery and implementation of the Pay and Reward programme which is running concurrently with the implementation of a new payroll solution. This work has been huge and has meant other work in progressing deliverables aligned to our People and Culture Strategy have fallen behind schedule.

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.

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 have been working through the financial impact that Pay and Reward will have on their budgets 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.
- 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	Complete 1 Dec 2025
Action 2:	Completion of role profile appeals	30 Apr 2026
Action 3:	People Strategy Implementation Plan	2027
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

Pay and Reward was implemented on 1 December 2025. Nearly 1000 questions were managed by the People and Culture team and the first payroll went smoothly. The appeals window has now closed. 188 appeals have been received and panels will commence from 17 February 2026 onwards. This is expected to take several months to conclude, and once final pay outcomes are settled and advised, the potential for claims could increase.

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		We have only recently implemented Pay and Reward and appeals have not yet been heard. It is expected that any claims coming forward might do so after the appeals process has completed
Net Score		We have only recently implemented Pay and Reward, and appeals have not yet been heard. It is expected that any claims coming forward might do so after the appeals process has completed
Target Score		We have only recently implemented Pay and Reward and appeals have not yet been heard. It is expected that any claims coming forward might do so after the appeals process has completed.

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

Links to Corporate Objective(s):

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 continues to remain 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 2025.

There continues to be huge opportunities and benefits for the council by continuing to actively leverage technology in support of continuous improvement and driving service efficiencies. However, our vulnerabilities have become greater as we increasingly rely on cyberspace to deliver council services.

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 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 – via 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.	Yes – a significant number of controls are in place to mitigate the risk.
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.	Given the persistent and evolving nature of cyber threats and BCP Council’s increasing reliance on digital systems, it is both pragmatic and necessary to accept a level of residual 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:		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

During this quarter the council delivered a planned corporate cyber preparation exercise, facilitated by the IT and Emergency Planning teams and supported by Southwest Regional Cyber Crime Unit.

The exercise brought together representatives from multiple services to practice the council's response to a simulated cyber incident and to strengthen organisational readiness.

The session focused on improving coordination, communication and decision-making during a major disruption and allowed teams to test existing continuity plans in a safe, controlled environment.

A follow-up debrief session has been scheduled by Emergency Planning colleagues, with feedback collated from participants to help refine incident response arrangements and ensure that learning from the exercise is captured and acted upon. This work will support the ongoing improvement of the council's resilience measures and reinforce our ability to respond effectively to cyber-related emergencies.

IT teams continue to monitor national threat intelligence closely and adjust our controls, training and resilience measures in line with emerging risks to ensure we remain protected against the evolving threat environment.

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		Cyber threat levels have not diminished or increased substantially
Net Score		Cyber threat levels have not diminished or increased substantially
Target Score		Cyber threat levels have not diminished or increased substantially

Risk CR20 – Potential of climate change to outstrip our capability to adapt

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

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy

Links to Corporate Objective(s):

- Climate change is tackled through sustainable policies and practice
- Using data, insights and feedback to shape services and solutions

Risk Information

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 at unprecedented levels and limiting the earth's ability to reabsorb them.

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).

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.

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.

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 risk mitigations in place:

The most immediate risk to the Bournemouth, Christchurch and Poole 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.

Meanwhile, work is continuing to tackle the causes of climate change, including decarbonising both the Council’s estate (by 2030) and working with partners to reach net zero by 2045. This includes energy efficiency and sustainable generation as well as encouraging active travel and supporting our greenspaces. Full details of the targets and progress against them can be found on the Climate dashboard and in the Annual Climate Reports. The Local Area Energy Plan (LAEP) launched in October 2025 also sets out the activity needed to reach these targets. The challenge will be the resource needed to deliver these changes at the pace required.

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:	Sustainability Officer to prepare climate change vulnerability data to aid adaptation planning/awareness. The vulnerability tool was created in October.	October 2025 Complete
Action 2:	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 (CIL) 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 Complete - £7.3m CIL allocated to the scheme

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 Local Area Energy Plan (launched in October 2025) sets out the activity needed to reach these targets. The Annual Climate Report (draft published ahead of Environment and Place Overview and Scrutiny Committee on 25 February 2026) charts the progress made against net zero targets in 2024/5.

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		This is a long-term risk with few short-term solutions or mitigations. Adaptations take time and efforts to reach net-zero are also long-term actions. Recent flooding in Christchurch and across Dorset, alongside the wildfires in Bournemouth, Christchurch, Poole and Dorset last year demonstrate that this is a real and active risk.
Net Score		Mitigations remain the same.
Target Score		The LAEP sets out what can be done to reduce the causes of climate change in our area. Our FCERM team continue to monitor and address flooding issues where possible.

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 mean 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.
- Microsoft CoPilot Chat has been successfully launched and made available to all staff with access to a device and a computer account.
- BCP Council's existing [Information Security Policy](#) already describes expected staff and councillor behaviours in respect of responsible use of IT in general, but also AI specifically.
- 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 Council 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 has been delivered to Cabinet and Corporate Management Board
- The Data Loss Prevention (DLP) initiative is progressing. 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>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> <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: We are still working with our Information Governance team to achieve Corporate Management Board sign off of this project and drive delivery collaboratively and at pace.</p>	In progress
Action 2:	<p>Consider any upskilling/resourcing of the council’s Information Governance Teams to be able to provide effective professional advice to support established AI Governance bodies (CMB) and wider colleagues. Our Continuous Improvement and Innovation Programme (CIIP) aims to deliver 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: Ongoing as we work with our Information Governance colleagues to establish the most effective structure and approach for the organisation.</p>	Ongoing
Action 3:	<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: We continue to build internal capability to support the safe and effective use of Artificial Intelligence across the organisation.</p> <p>Three members of staff have now completed formal AI Governance training, strengthening our ability to assess, oversee</p>	In progress

	<p>and guide the responsible adoption of AI solutions across the council.</p> <p>These trained colleagues will continue to contribute to the organisation by helping to identify and deliver value from AI as part of our Continuous Improvement and Innovation Programme (CIIP).</p> <p>In addition to this, ongoing professional development is taking place across the wider IT and Programmes service, with several technical staff engaging in side-of-desk learning to expand their AI knowledge. As a result, a small but growing community of proactive, self-taught AI practitioners is emerging across different areas of the department. This community is already helping us build organisational understanding, share good practice and support early AI use-case exploration in a safe and well-governed manner.</p>		
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Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

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

Quarter Update

During this quarter, the council has continued to strengthen its approach to the safe, ethical and well-governed use of AI. Building on the success of the Data & Innovation Programme, we have expanded internal skills, broadened awareness and continued to embed structured governance processes to support responsible AI adoption across services.

Internal capability continues to grow, with three members of staff having now completed formal AI Governance training, equipping them to provide informed advice and oversight as the organisation explores new AI opportunities. Their expertise will support wider service areas to identify and safely progress AI use cases as part of our Continuous Improvement & Innovation Programme (CIIP).

Alongside this, ongoing side-of-desk learning is taking place across IT and Programmes, and a small community of proactive, self-taught technical practitioners is beginning to emerge across different teams. This community is playing an increasingly valuable role in sharing knowledge, supporting colleagues, and contributing to early-stage AI exploration.

The council's AI governance framework has also continued to develop, including the use of structured assessment processes that ensure that new AI ideas are reviewed consistently and transparently. This approach has recently been applied in meetings exploring potential AI use cases in operational services, helping colleagues understand the steps required to ensure ethical, transparent and accountable deployment of AI tools.

To encourage innovation in a controlled environment, staff in several areas have also taken part in AI-focused collaborative sessions, including internal workshops and "agentathon"-style activity exploring how AI-powered agents and automation could support service improvement. These sessions remain

early-stage and exploratory, but they are helping to build organisational understanding of how AI may support efficiency, self-service and improved customer experience in the future.

The council continues to participate in wider local government networks, supporting sector-wide collaboration and ensuring alignment with national best practice. Invitations to practitioner groups and AI knowledge-sharing networks further support our capability-building and ensure IT and Programmes remains connected to the latest thinking across the public sector.

Overall, the council continues to take a measured, responsible approach to AI adoption, balancing innovation with strong governance, supporting staff development and ensuring that all exploration of new AI tools remains safe, transparent and in line with public expectations.

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 meaningful change in risk levels.
Net Score		No meaningful change in risk levels.
Target Score		No meaningful change in risk levels.

Risk CR18 – We may fail to provide adequate customer interfaces

Risk Owner – Matti Raudsepp, Director of Customer & 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

The Transformation Programme for the council closed in March 2025 and as part of the ongoing commitment to service improvement it was agreed that remaining workstreams would move into business-as-usual activity or into dedicated programmes.

Whilst this programme of work is established, and then delivered, 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.

The Transformation Programme upgraded the council's legacy telephony system and introduced an updated version of the council's Customer Relationship Management (CRM) system onto which existing processes have been migrated. A single improved web platform was also introduced.

The remaining requirement is initially to improve the performance of the corporate customer contact centre, easing the journey for our residents and creating business efficiency for improved service delivery. A second stage will be required to fulfil the requirements of the Customer Strategy creating a single front door and consistency across the council. This means identifying customer activity sitting across service areas which need to be brought into management via the CRM with performance monitored and reported under a single customer umbrella.

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 within services. Delays in redesigning any aspect of the journeys can impact the customer experience.
- The availability of new digital functionality has not been introduced to the service environment which has restricted our ambitions.
- There are varying degrees of sign-up to the Customer Target Operating model which was formally agreed within the Transformation Programme.

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

- Call answering performance that does not meet customer expectations. Customer contact is subject to ongoing handoffs to services, which may complicate and extend the process and increases the risk of failure and customer dissatisfaction.
- Phone contact is heavily relied on in the absence of other effective options and staff numbers cannot cope.
- Frustrating customer journeys which are not efficient for either the business or customer.
- Problems arising from ineffective processes create issues for customers which impact their lives.
- Inefficiency in the cost of delivering effective customer response.

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

- Call handling performance data is used to monitor performance.
- Staff have been trained on a wider range of skills to support areas where staff numbers have been lost to support the Medium Term Financial Plan.
- New contact centre telephony system successfully implemented in December 2023 with pilots completed to understand potential additional functionality.
- New CRM system now in place with legacy processes moved across.
- New CRM has some improved functionality and has repeatable service patterns to support end to end process reviews.
- Customer Strategy is being refreshed for adoption in early 2026.
- Programme Board has been set up to progress a range of actions to bring efficiency to the service and improve the customer offer.
- Resourcing needs being considered to ensure delivery.

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 acting 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:	Agree refreshed Customer Strategy	March 2026
Action 2:	Implement end to end process reviews across the functions currently delivered through the existing corporate customer contact centre to drive efficiency, deploy new functionality and improve service for Customer	April 2026 - March 2027
Action 3:	Develop and implement a programme to reduce reliance on the telephone as a contact method, increasing digital service uptake	March 2027
Action 4:	Create and continuously update the list of technical enhancements required to improve service delivery connected with the Dynamics 365 System	March 2027
Action 5:	Continue to innovate and learn new technologies to support efficiency to support the Customer Strategy	March 2027

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

- Refreshed Customer Strategy has been subjected to Directors Strategy Group consideration and input
- Agreement secured to recruit Business Analyst capacity, which is essential in order to fully map and evaluate current processes and to design how new customer journeys will operate
- Work on stabilising the blue badge processing backlog continues with response times now well within the Department for Transport guideline of 12 weeks and being maintained within that level. Meanwhile, the design of an improved approach to the management of the blue badge process is ongoing.

Direction of Travel

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

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

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

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

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

Links to Corporate Objective(s):

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

Risk Information

Corporate Context

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

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

BCP Council Children’s Services had an ILACS inspection (an Inspection of Local Authority Children’s Services) in December 2024 and achieved a Good rating from Ofsted. This acknowledges that children’s services provide

Quality of education and care:

Children’s services rated as "good" provide a good standard of education, care, and support for children.

Effective safeguarding:

Safeguarding practices are deemed to be effective, meaning children are protected from harm and their welfare is prioritized.

Positive impact on children and families:

The services have a positive impact on the lives of children, young people, and their families, with evidence of sustained improvement.

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.
- Since the Good Ofsted rating and removal of Children's Social Care Statutory Intervention the governance for Children's Social Care has been reviewed and new accountability structures put in place, a new development plan has been put in place to drive forward the service in place of an Improvement Plan.
- 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.

- Partners have launched the Children and Young People’s Partnership plan which clearly identifies the shared priorities for delivering improved services for our children, young people and families. 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 practice standards are maintained or improving. Governance processes introduced in 2022 continue to review practice and give increasing assurance that children are safeguarded. Ofsted in their ILACs Inspection 2024 confirmed that Children in BCP are safeguarded.
- 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 Children’s Strategic Transformation Board through reporting by the Finance Manager.
- Ensure the BCP Council model of corporate support services and systems is fully conducive to the children’s improvement journey.

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	2	8		

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 SEND and Alternative Provision Improvement Plan	2026
Action 2:	Deliver on the Education Improvement plan	June 2026
Action 3:	Sufficient suitable accommodation available for our care-experienced young people and placement choice of good quality locally for children in care	June 2026
Action 4:	Deliver on the new Children's Social Care Development Plan	April 2027

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 SEND Care Quality Commission (CQC)/Ofsted Partnership inspection was carried out in December 2025. The outcome of this inspection was published February 2026. The report evidences significant improvements whilst acknowledging inconsistent delivery of services to children and their families. The result of this inspection means that the statutory notice from the Secretary of State will be removed, and we will not be considered by the DfE to be in intervention. Further improvements required will be considered as part of the management of the Alternative Provision and SEND improvement plan under business-as-usual governance.

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		Improvements verified through Ofsted and CQC inspection of both Children's Social Care and also SEND
Net Score		As above
Target Score		As above

Risk CR08 – We may fail to run a fair and open election/referendum

Risk Owner – Aidan Dunn, Chief Executive

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

Links to Corporate Objective(s): Connected Communities, Brighter Futures & Modern, Accessible and Accountable Council

Risk Information

The Council has a statutory duty to administer elections and referendums in accordance with electoral law, including the Representation of the People Act 1983, the Electoral Administration Act 2006, and subsequent amendments.

The Chief Executive is appointed as the Returning Officer (RO) and is personally legally responsible for the proper conduct of elections. Certain obligations fall personally on the RO and cannot be delegated or influenced by the Council.

Election timetables are fixed in law and cannot be altered by the Council, meaning planning and resourcing must be in place ahead of time regardless of any operational pressures.

Nature of the Risk

If sufficient staffing, resources, skills, or facilities are not available at the required time, the Council/RO may be unable to deliver an election that meets legal requirements for fairness, accuracy, transparency and accessibility.

Failure could lead to legal challenge, reputational damage or loss of public confidence.

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:

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

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

Mitigations in Place & Completed Actions

- **Strategic oversight:** Monthly election planning and progress reviews with the Chief Executive and key senior officers.
- **One-Council delivery approach:** Cross-departmental support from ICT, HR, Communications, Facilities, Finance and others to ensure sufficient resources.
- **Structured project planning:** Comprehensive election project plan with workstream leads and sub-groups monitoring progress against statutory deadlines.
- **Staffing and training arrangements:** Early recruitment, training, and contingency staffing across the council to ensure sufficient skilled polling and count staff.
- **Venue readiness:** Polling and count venues secured early and assessed for accessibility, suitability, and contingency availability.

- **Communications planning:** Clear communications plans for both the public and candidates including statutory notices, public messaging, and voter information such as Voter ID requirements.
- **External liaison:** Ongoing engagement with the Electoral Commission, Association of Electoral Administrators, partners, suppliers, police and regional networks for updates, advice and assurance.
- **ICT & systems readiness:** Pre-election testing of election management systems, equipment and data security with contingency plans for system failures.
- **Financial monitoring:** Regular review and tracking of election budgets, cost pressures and funding requirements.
- **Post-election learning:** Formal lessons-learned review after each poll with actions tracked to improve future delivery

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	2	8		New

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		07/05/2026
List All Significant Actions Below:		
Action 1:	Secure and confirm all polling stations and count venues	06/03/2026
Action 2:	Complete recruitment and training of polling, postal vote and count staff	16/04/2026
Action 3:	Publish statutory notices and manage nominations process	29/04/2026
Action 4:	Ensure ICT and elections systems readiness (including voter ID checks, count system)	29/04/2026
Action 5:	Finalise logistics: equipment preparation, delivery plans, and ballot box dispatch	05/05/2026
Action 6:	Deliver polling, postal vote issue, verification, count and declaration of result	07/05/2026

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	1	4		New

Quarter Update

Good progress has been made this quarter across all key election activities. All core election staff have now been appointed, the count venue is fully booked, and the majority of polling stations are confirmed with only a small number awaiting final agreement.

Procurement for the print contractor has been completed and timelines have been secured. Sub-groups are meeting regularly and progressing workstreams to schedule, with strong engagement from internal services and external stakeholders.

Public engagement communications have commenced, including voter awareness activity, and we have begun delivering candidate awareness sessions to support prospective candidates.

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 inherent (unmitigated) risk remains unchanged, as the statutory complexity and consequences of failing to deliver a lawful election remain constant.
Net Score		Progress this quarter has reduced the likelihood of the risk materialising. The quarterly update includes key activity completed to reduce the potential risk.
Target Score		The target score remains appropriate. Current progress indicates that the planned mitigations are on track to bring the risk to the desired level in the required timeframe.

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

Risk Owner – Kelly Deane, Director of Housing & 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 Programme
- Homes for Ukraine(HfU)/ Ukraine Permanent Extension 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. There is also a growing portfolio of private rented properties in use as asylum accommodation in the conurbation.

Risks related to asylum and refugee resettlement include:

- Potential homeless presentations from Ukrainian refugees should the HfU scheme support from government (financial incentives to sponsors) be discontinued
- Potential homeless presentations from Afghan families given notice to leave their 9-month limited Ministry of Defence (MOD) accommodation
- 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 the 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
- Concerns around Community Safety from Bournemouth & Poole College
- Potential increase in activity of extremist groups

Gaza and Israeli conflict

In addition to the information provided above we are also monitoring any localised 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. The protests have continued weekly but 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. 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.

Home Office Engagement

The Home Office have recently engaged with the Chief Executive and relevant Directors to advise that they are moving towards increased engagement to ensure there is a triangulated approach between the government, councils and police with regard to community safety and cohesion.

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

- Conflict in Israel and Gaza and increasingly in the surrounding territories
- Home Office policy and related notices to vacate hotels
- 9-month limited transitional MOD accommodation offer for Afghan Resettlement Programme households
- National and local tensions around the asylum and immigration process and trend of increased protests
- Confirmation of Thank You Payments to hosts being discontinued once a Ukrainian guest has exhausted HfU visa and first Ukraine Permission Extension scheme period
- Mis- and dis-information circulating on social media unchallenged

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

- Heightened community tensions and inter-faith relationships
- Crime and disorder risks
- 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:	Recruitment of a Community Cohesion Officer (2-year fixed term)	Q4 2025/6
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

During this quarter, pressures linked to national and global events have continued to impact Housing and related services. The volume and complexity of refugee, asylum and resettlement- related work remains high, with increased demand across asylum dispersal, refugee resettlement, Homes for Ukraine facilitation, and the monitoring of community tensions.

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		Underlying global pressures have not materially changed
Net Score		Although controls and mitigations continue, they have not reduced the actual level of pressure being experienced
Target Score		Conditions required to safely lower the target have not yet materialised

Risk CR28 – We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan

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):

- High quality of life for all, where people can be active, healthy and independent
- Good quality homes are accessible, sustainable and affordable for all
- Employment is available for everyone and helps create value in our communities
- People and places are connected by sustainable and modern infrastructure
- Revitalised high streets and regenerated key sites create new opportunities
- Our green spaces flourish and support the wellbeing of both people and nature
- Climate change is tackled through sustainable policies and practice

Risk Information

The council has a statutory duty to prepare and maintain a Local Plan. The National Planning Policy Framework (NPPF) sets out that the planning system should be genuinely plan-led with succinct and up-to-date plans. Currently BCP Council is operating using the Local Plans of the predecessor authorities that include over 300 policies, a significant proportion of which are out of date.

The Bournemouth, Christchurch and Poole Local Plan will provide one plan that sets out the vision and planning framework for the Bournemouth, Christchurch and Poole area for the next 15 years. It will provide the land use policies that help us to implement our commitment to address the climate and ecological emergency. It will confirm our strategic approach to the delivery of a range of development, including market and affordable housing, employment, tourism, community facilities and supporting infrastructure. The Local Plan has to balance these development requirements against the need to protect and enhance the built and natural environment. Once adopted, all planning applications will be determined against the Local Plan, making it the most important place-shaping document for the Bournemouth, Christchurch and Poole area.

A Local Development Scheme was agreed by the Council in June 2025 which sets out the timeline to prepare the Local Plan by 2028 under the government’s new planning system which requires plans to be prepared in 30 months. This includes a period of time for the soundness of the plan to be examined by the Secretary of State before it is adopted by the council.

There is a risk that the Local Plan will not be adopted by the end of 2028 as set out in the Local Development Scheme.

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

- Failure of the council to agree a spatial strategy to meet the development needs of the area, particularly in the context of the high housing target for the area (set by national policy), changes to national Green Belt policy and the possible options for development
- That the Plan is not supported by the Secretary of State at examination, which could be due to issues with the quality and extent of evidence required to support the plan, that the duty to cooperate has not been met or the spatial strategy is not robust to meet development needs
- Changing national policies and requirements in relation to Plan Making

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

Failure to adopt a new Local Plan will result in the policies from the predecessor local plans becoming increasingly out of date for decision making. Without a Local Plan to allocate new sites and demonstrate a five-year supply of land for housing there is 'presumption in favour of sustainable development' in favour of granting residential planning applications and resulting in less control over the location, scale, quality and design of development and any supporting infrastructure. There is also a result of a higher number of appeals to planning decisions and refused applications being approved on appeal.

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: Failure to have up to date policies to protect the environment, habitat sites, flood risk, climate change
- Social – Failure to deliver the homes needed to meet the needs of our communities
- Legal – Failure in statutory duty to prepare a Local Plan potentially leading to government intervention. Legal challenges in relation to applications determined in the absence of an up-to-date plan
- Political: Failure to deliver government policy
- Reputational: Reputational damage over the ability of the council to effectively plan for the area and determine applications.

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

- Report to Cabinet in May 2026 to set out proposed timetable and process
- Monitoring and management of the Local Plan by the Director of Planning and Transport
- Assigning resources and project management support to enable Local Plan delivery
- Providing regular progress updates to senior management and councillors
- Review of the existing evidence base and the early procurement of up-to-date evidence
- Working closely with relevant external organisations and delivery partners to obtain information as efficiently as possible
- Development of early engagement and communications strategy, including workshops with councillors, and wide public communications and consultation
- Completing the proposed Gateway stages under the new planning system which enables early engagement with the Planning Inspectorate on examination soundness issues
- Regular (monthly) Duty to Co-operate meetings with Dorset Council planning officers as a key neighbouring authority. Includes having a standing agenda and keeping meeting notes.

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:	Procure evidence base	May 2026
Action 2:	Formally update Cabinet on timetable changes and agree governance arrangements	May 2026
Action 3:	Complete early engagement activity	Aug 2026
Action 4:	Complete Gateway 1	Aug 2026
Action 5:		
Action 6:		

Additional information released by government requires additional stages in the plan making process. Further guidance has also been released in relation to initiating the local plan process. The earliest these changes and the implications can be reported to Cabinet is May 2026. This has a knock-on effect on the completion dates for early engagement and the completion of Gateway 1.

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

At the end of November 2025 the government released further guidance relating to the new planning system, although the accompanying regulations have yet to be published. This guidance clarified the various stages in plan making under the new system and specified a range of requirements on sequencing of activities. While we will still be able to adopt a Local Plan given the new information, it cannot be completed by the end of 2028 and the timetable needs to be updated to reflect additional activities that are included in the guidance. This will be reported to Cabinet in May 2026. It is therefore anticipated that adoption will now take place in early 2029.

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 new information released setting out the process provides more certainty to plan makers. While there are additional activities required over those originally anticipated, including a scoping consultation stage, we can still adopt a Local Plan but the timetable needs to be updated and adoption will not be until early 2029.
Net Score		See above
Target Score		An updated timetable and Project Initiation Document will be taken to Cabinet in May 2026. This will allow us to make progress with plan making activity.

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 and development of digital skills and mindset
- 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 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:

- BCP Corporate Strategy Delivery Board established to ensure maintained focus on continuous improvement and strategic delivery to meet Corporate Strategy objectives.
- Our Digital Strategy has been written and published, with the Data and Innovation Programme established in April 2025, signed off by the BCP Council Strategy Delivery Board to ensure robust governance.
- Phase 1 is now complete, having assessed our corporate capability to deliver our digital vision. Phase 1 delivered governance, data quality improvements, AI readiness, digital adoption and capability building. These are foundational enablers but are not yet embedded across the council. This has set the stage but does not complete the journey.
- Phase 2 builds on what we have learnt. Led by IT and Programmes and currently in scoping stage it focuses on continued embedding of the fundamentals - AI governance, data quality, digital adoption and capability—more broadly across the organisation, while continuing to provide insight, standards and governance.
- Additionally, Phase 1 highlighted the need for an organisational, not departmental, approach to improvement - a corporate programme to embed better ways of working, prioritise invest-to-save opportunities and scale innovation across services. We proposed the Continuous Improvement & Innovation Programme (CIIP) and this was agreed in October 2025 by our Corporate Strategy Board. This is now in scoping stage and slightly delayed as we look to resource Business Analysis capacity to support the initial discovery and feasibility of invest to save opportunities.
- It should also be noted that all programme activity has been and continues to be carried out ‘side of desk’ by resource within IT and Programmes, evidencing the commitment and passion the teams maintain to deliver innovation and our Digital Strategy. This is not sustainable and we will remain focused on how we address this.
- Resourcing/capacity (both within the core programme team and service areas) is on the programme risk register, and we actively review our corporate priorities with our Corporate Management Board (CMB) and councillors to ensure we are focused on delivering agreed priorities.
- Additionally, we will ensure we consider what the longer-term operating model for IT should be to ensure a sustained focus on continuous improvement for the organisation, to drive the continued aims of our Digital Strategy – ‘digital by design, driven by data and focused on people’.
- We have an established Members Digital Working Group which provides monthly updates to our members on outputs and the delivery of our Digital Strategy as well as associated programmes. Our aim is to continue to share insight and the progress of our digital strategy to meet the objectives of the BCP Council Corporate Strategy.
- Established our BCP Systems Ownership Framework to ensure ownership, both strategic and operational, of our corporate systems established during and since the Transformation Programme. CIIP will include a focus on a strategic roadmap for these systems and their outputs from a data and innovation perspective.

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:	Continue Children's Transformation Programme – programme extended UNDERWAY	April 2026
Action 2:	Continue Adults' Transformation Programme UNDERWAY	April 2027
Action 3:	Develop and establish a new Data and Innovation Programme Phase 1 complete Phase 2 in scoping stage	Phase 1 complete Phase 2 being developed
Action 4:	Continue Strategic Corporate Management Board and Cabinet Members Digital Working Group (ensuring robust knowledge exchange)	Ongoing
Action 5:	Establish Corporate Continuous Improvement & Innovation Programme (CIIP)	April 2026

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

During Q3 we continued to strengthen our organisational resilience by progressing the core programmes that underpin our digital, data and continuous improvement agenda. Our work this quarter has focused on building capability, embedding governance, and maturing the controls.

We have continued to move into Phase 2 of the [Data and Innovation overview](#) programme, building on the strong foundations established in Phase 1. This has included progressing governance, data quality, digital adoption and AI readiness, all of which directly mitigate risks associated with data quality, cyber compliance and the safe use of emerging technology.

Following Corporate Strategy Board endorsement, the [BCP Continuous Improvement & Innovation Programme \(CIIP\)](#) has continued through scoping, with emphasis on developing sustainable programme capacity and identifying invest-to-save opportunities. This quarter we have focused on aligning directorates, capturing improvement areas, and establishing governance for tracking benefits and operational risks. This work directly addresses this corporate risk. We are standing up additional Business Analysis resource and an outline of the programme. The IT and Programmes Director is carrying out 1-1 conversations with all Directors to support engagement and the drive for the CIIP to be a shared corporate programme. We continue to strengthen governance and assurance with our Systems Ownership Framework.

We continued to embed digital skills and adoption activity through targeted capability building, Digital Champions support and organisation-wide engagement activities. During the quarter, efforts have focused on improving digital confidence, addressing known gaps in adoption of corporate tools, and preparing directorates for the next phase of digital maturity assessments.

Across Q3, these collective efforts demonstrated sustained progress in reducing operational, technological, and transformation-related risks, particularly through:

- stronger governance and consistent organisational standards
- clearer accountability for systems and data
- improved readiness for responsible AI and digital use
- early identification of efficiency opportunities through CIIP
- increased staff capability and confidence in using digital tools

Our direction of travel remains positive, though capacity constraints and the rate of organisational adoption remain areas to monitor and manage.

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 – Partnerships may not support delivery of the corporate strategy, objectives or priorities

Risk Owner – Isla Reynolds, Director of Marketing, Comms and 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 2019/20, 2020/21, 2021/22 Annual Governance Statements included partnership governance as a significant governance weakness. In 2021/22, the identified actions were:

“BCP Council Partnership governance will be strengthened through the development of the following:

- a. Agreement of a partnership definition
- b. Production and maintenance of a Corporate Partnership Register
- c. Establishment of corporate oversight of partnerships
- d. Production of corporate partnership guidance to supplement Financial Regulations, which can also be used for compliance purposes.”

This has also previously been raised by external audit. The issue was removed from the Annual Governance Statement for 2022/23 as partnership guidance has been produced and compilation of the Corporate Partnership Register was in process.

In relation to the action points above, the audit confirmed that:

1. Partnership definition had been agreed and included in the partnership guidance.
2. Corporate partnership guidance was available on the intranet.
3. A partnership register template has been produced, which includes a method of determining ‘significant’ partnerships. Of the 12 service areas who had existing partnership registers, 6 have now completed in the new format and saved in the designated corporate area. A standalone corporate partnership register has not been produced but it is, in effect, the aggregation of the individual service partnership registers.
4. Corporate oversight of partnerships has yet to be established.

In March 2025 Internal Audit liaised with the then recently appointed Head of Policy, Partnerships and Strategy, to ascertain the status of corporate partnership arrangements and the implementation of recommendations raised in the 2023/24 audit of this area. The Head of Service confirmed that a review of corporate partnership arrangements would be undertaken during 2025/26, with a view to ensuring full compliance with the recommendations, including a framework enabling corporate oversight.

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

- Lack of resources to 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

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

- Poor knowledge of its partnerships, the way they are governed and the value derived from them puts the council at risk in terms of resources, reputation, legal and financial impacts.
- 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

- Staff resource is now in place to drive this work forward
- Requests have been made to Directors to update their registers
- A report proposing corporate oversight via a framework will be presented to Corporate Management Board

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:	Review and update the Partnership Register	April 2025 Completed
Action 2:	Templates to be circulated to Directors for review and update of the partnership register	Sept 2025 Completed
Action 3:	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 	April 2026
Action 4:	Ensure framework is operational/provide relevant performance information facilitating corporate oversight	April 2026

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

Actions 1 and 2 have been completed. An update was taken to Corporate Strategy Delivery Board to ask for further information from services about partnerships, and it was agreed that, once this was gathered, an oversight of the data would be brought back to the Board. The Board will then decide whether this is a single overall risk about the framework or would be more suitable as a service-level risk about specific partnerships.

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 CR24 – We may fail to adequately address concerns around community safety

Risk Owner – Kelly Deane, Director of Housing & Public Protection/Rob Carroll, Director of Public Health & Communities

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

Links to Corporate Objective(s):

Working together everyone feels safe and secure

Risk Information

Emerging public concerns around areas including, but not limited to, Bournemouth Town Centre show public concern for residents and visitor safety.

A number of initiatives are in place to mitigate the risks including:

- 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 resources
- Community Safety Partnership (CSP) in place to tackle the 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
- Pan-Dorset Prevent Partnership and Channel Panel.

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.

The Local Authority also has duties under the national CONTEST Strategy (Counter Terrorism) and uses evidence from Counter Terrorism Policing South West and national data to inform the work of the Pan-Dorset Prevent Partnership.

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

- Reduction in resources to address community safety concerns
- Public perception of issues and local media reporting
- Changes to partner objectives, funding or behaviour
- Policy changes and funding opportunities following the 2024 change in government
- Global and political decisions, including asylum policies and conflict in the Middle East
- Growth of social media platforms and the online space as an avenue for exploitation

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

- Reduction in public perception and public confidence
- Failure to deliver on statutory duties
- Fear of crime increases
- Potential risk to exploitation from extreme ideology

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

- Supporting Dorset Police in Clear, Hold, Build initiative, hotspot policing and key operations to enhance visible presence across the conurbation
- 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 - completed
- Ongoing grant funding from Department for Transport (DfT) for an anti-social behaviour (ASB) Community Safety Accreditation Scheme managing anti-social behaviour on the public transport network - completed
- Successful grant funding under the Bus Service Improvement Programme to install 250 CCTV cameras at the most used bus stops
- Pan-Dorset Prevent Partnership working to raise awareness of Prevent and Contest with partners across Bournemouth, Christchurch and Poole
- Channel Panel for individuals at risk of being drawn into terrorism
- Pan-Dorset Prevent Partnership to raise awareness of Prevent, the signs and symbols to look for and how to refer someone if appropriate
- Prevent Week of Action in October 2025 providing a range of webinars, information events and training for professionals, parents and carers, governors etc
- Independent Advisory Group with Dorset Police to gather information, concerns and monitor any community tensions
- Monthly and quarterly data reviews relating to crime and disorder and crime hotspots alongside an annual strategic assessment which sets the priorities for the work of the Community Safety Partnership

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	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:	Continue Partnership Action Group and associated tactical delivery	Complete
Action 2:	Community Safety Partnership Executive Board to review Community Safety concerns	October 2025
Action 3:	Agree new Key Performance Indicators for the Community Safety Partnership	Completed January 2026
Action 4:	Pan-Dorset Prevent Partnership to revise its delivery plan for 2026	Q4 2025/6
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	2	1	2		

Quarter Update

The Pan-Dorset Prevent Partnership met in November 2025 and January 2026 to review the evaluation of the Prevent Week of Action 2025 which was delivered by BCP Council for the South West region with extremely positive feedback. The partnership has also reviewed the latest data and information from local and national counter-terrorism police to inform the delivery plan for 2026. The Community Safety Partnership and associated delivery groups continue to meet and review data and intelligence to ensure that we are taking an evidence-based approach to addressing crime and disorder in Bournemouth, Christchurch and Poole.

The Ten Days of Activism Against Gender Based Violence took place in November/December 2025 with over 40 events, drop-ins, seminars and workshops offered to professionals and the general public.

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		Crime and disorder fluctuates on a seasonal basis with increases in the summer months and decreases in the winter. Monitoring data on a rolling basis shows decreases in some crime types but not at a scale to remove the risk from the register.
Net Score		As above
Target Score		As above



Risk Hierarchy



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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit - Audit Charter & Audit Plan 2026/27
Meeting date	19 March 2026
Status	Public Report
Executive summary	<p>This report sets out the Internal Audit Charter and the Audit Plan for 2026/27. Approval of these documents by the Audit & Governance Committee is a requirement of the Global Internal Audit Standards (GIAS).</p> <p>Some minor amendments have been made to the Internal Audit Charter (Appendix A) which includes an updated Internal Audit Strategy and an updated Data Analytics Strategy.</p> <p>The final Internal Audit Plan for 2026/27 has been produced which includes some very minor amendments from the version provided to the Audit & Governance Committee in January 2025 alongside further details on how the resource will be allocated as described in the Core Audit Plan 2026/27 (Appendix B), Provisional audits for 2026/27 (Appendix C) and the Anti-Fraud & Corruption Plan 2026/27 (Appendix E).</p> <p>The proposed 2026/27 Internal Audit Plan approach has been designed to enable the Head of Internal Audit to provide an annual conclusion on the Councils' governance, risk management and control arrangements as required by the GIAS.</p> <p>The allocated budget resource for 2026/27 is considered adequate to deliver the Internal Audit Charter and Audit Plan for 2026/27.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <ul style="list-style-type: none"> • approve the Internal Audit Charter and agree that the Chair signs the document to record this approval (this may be a virtual sign off using email) • approve the Internal Audit Plan 2026/27 including the detailed breakdown of quarter 1 audits • note the 2026/27 budget for the Internal Audit service which was approved by Council as part of the 2026/27 Council Budget setting and Medium Term Financial Plan update in February 2026.
Reason for recommendations	To comply with Global Internal Audit Standards and Application Note for the public sector.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance

Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision and Information

Background

1. Auditors working in the UK public sector must follow the requirements of the Global Internal Audit Standards (GIAS) subject to the interpretations and additional requirements set out in the Application Note.
2. The standards include 'essential conditions' for the governance of internal audit which are provided in CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government.
3. Audit & Governance Committee are required to approve the Internal Audit Charter, which includes the internal audit mandate and the scope and types of internal audit services under the GIAS and supporting guidance.
4. The GIAS and supporting guidance requires Internal Audit to create and revise as necessary an Internal Audit Plan. The plan should also be approved by the Audit & Governance Committee and the Internal Audit service budget (as previously approved by Council) should be noted under the GIAS.

Internal Audit Charter 2026/27

5. The Internal Audit Charter (Appendix A) describes the purpose, authority, responsibilities and scope of the Council's Internal Audit Section.
6. An annual review has been undertaken of the Charter and the following minor amendments have been made:
 - Internal Audit Strategy (Charter Appendix C) updated with some revised objectives/actions and a new objective to ensure efficient and effective provision of assurance to A&G Committee through further integration and reliance on appropriate sources of assurance.
 - Data Analytics Strategy (Charter Appendix D) actions updated to reflect work carried out during the previous year.
 - Quality Assurance & Improvement Programme (Charter Appendix H) updated performance target to ensure all previous year audit work is fully completed by 30 June (was 31 July).
 - Medium priority recommendations to be reported to the Audit & Governance Committee after one year (previously 18 months) under the Follow Up Process and Escalation Process (Charter Appendix F).
 - The Equality Impact Assessment conversation screening tool (Charter Appendix A) reviewed and refreshed (no changes required).
7. The Audit & Governance Committee are asked to approve the amended Charter.

Internal Audit Plan 2026/27

8. The Internal Audit Planning Consultation 2026/27 (high level allocation of resource and delivery approach) was presented to the Audit & Governance Committee on the 15 January 2026 for comments and feedback. A minor change has been made in the allocation of time to between High Level Risks and Key Assurance Functions to reflect how safeguarding audits are planned to be undertaken as highlighted in the table below:

AUDIT ACTIVITY	2026/27 PLAN DAYS (Reported to Jan A&G)	2026/27 PLAN DAYS (Updated)	Difference (Days)
CORE AUDIT & ASSURANCE WORK			
HIGH LEVEL RISKS	765	755	-10
KEY FINANCIAL SYSTEMS	180	180	
KEY ASSURANCE FUNCTIONS	170	180	+10
COUNTER FRAUD RISKS	180	180	
SCHOOLS	50	50	
PLANNING, ADVICE, FOLLOW UP	270	270	
TOTAL	1,615	1,615	0
OTHER AUDIT WORK			
INVESTIGATIONS	105	105	
CONTINGENCY WORK	25	25	
GRANT CERTIFICATION WORK	30	30	
FINANCIAL REGULATIONS COMPLIANCE	25	25	
VALUE FOR MONEY WORK	20	20	
TOTAL	205	205	-
CORPORATE ASSURANCE WORK			
CORPORATE FRAUD	95	95	
FREE EARLY EDUCATION FUNDING AUDITS	50	50	
OTHER CORPORATE ASSURANCE WORK	15	15	
TOTAL	160	160	-
GOVERNANCE WORK			
CORPORATE MANAGEMENT & LIAISON	55	55	
MEMBER LIAISON	80	80	
AGS (Annual Governance Statement)	75	75	
TOTAL	210	210	-
IA SERVICE MANAGEMENT WORK			
MANAGEMENT & MEETINGS	270	270	
AUDIT DEVELOPMENT	80	80	
PERFORMANCE MANAGEMENT	45	45	
TOTAL	395	395	-
NON-PRODUCTIVE TIME			
LEAVE	535	535	
SICK/DOWNTIME	50	50	
TRAINING & CPD	140	140	
TOTAL	725	725	-
TOTAL DAYS	3,310	3,310	-

9. This report provides further information of the allocation of these days, in particular the 'Core Audit & Assurance Work' (1,615 days), as detailed at Appendix B, shows all planned work across each individual Service Area.
10. The (provisional) planned individual audits for the whole of 2026/27 are shown at Appendix C which includes calculated risk scores, reason for inclusion in the audit plan, links to organisational risks/corporate strategy and provisional timings.
11. Appendix D sets out how the proposed 2026/27 Internal Audit Plan provides coverage of the risks included in the current Corporate Risk Register.
12. The Anti-Fraud & Corruption Work Plan is provided at Appendix E which details all planned work to prevent, detect and investigate fraud and corruption during 2026/27, consisting of Counter Fraud Risks (180 days), Investigations (105 days) and Corporate Fraud work (95 days).
13. Consultation is being finalised with Senior Management, Corporate and Service Directors and External Audit on the Audit Plan.
14. The proposed 2026/27 Internal Audit Plan approach has been designed to comply with the GIAS and enable the Head of Internal Audit to provide an annual conclusion on the Councils' governance, risk management and control arrangements.
15. Monitoring of the Audit Plan completion and any changes will be brought to this committee on a quarterly basis. Audit & Governance Committee are asked to agree the proposed 2026/27 Audit Plan.

Options Appraisal

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

Summary of financial implications

17. The Audit Plan is delivered within the Finance base budget approved as part of the wider Council's budget setting process. The 2026/27 Audit Plan outlined above assumes the 2026/27 Internal Audit budget will be approved broadly on the same basis as 2025/26 revised (£824,400) and allowing for inflationary growth only.
18. The budget includes the resources necessary for the function's operation, including training and acquisition of technology and tools (as considered as part of the Internal Audit Strategy). This level of resource is considered sufficient to enable the Head of Internal Audit to provide an annual conclusion on the Councils' governance, risk management and control arrangements.
19. Spend against the Internal Audit budget will be regularly reviewed and any variances reported as part of Internal Audit activity quarterly reporting to Audit & Governance Committee.
20. In accordance with GIAS in the UK Public Sector, the Head of Internal Audit considers that the level of financial resources is sufficient to fulfil its mandate and deliver the 2026/27 Audit Plan, and therefore an alternative financial resource strategy is not considered necessary.

Summary of legal implications

21. This report gives an opinion on the adequacy and effectiveness of the risk, control and governance systems in place.

Summary of human resources implications

22. There will be 13.0 budgeted full-time equivalent (FTE) Internal Audit staff planned for the 2026/27 Audit Plan, inclusive of the Head of Audit & Management Assurance who manages several other teams and an Auditor who specialises in corporate fraud prevention, detection and investigation.

23. All Internal Audit staff are subject to a formal competency assessment and undergo regular professional development training to ensure skills are kept up to date and to provide succession planning. The team has all of the necessary technical expertise, experience and relevant qualifications to carry out the function effectively and to achieve the Internal Audit Plan. The only exception is for some technical IT audit areas, for which a specialist contractor is externally procured each year.
24. It is the opinion of the Head of Internal Audit that these human resources are appropriate and sufficient to achieve the internal audit plan and provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Internal Audit Charter 2026/27

Appendix B – Core Audit Plan 2026/27

Appendix C – Provisional audits for 2026/27

Appendix D – Coverage of Corporate Risks by the Proposed 2026/27 Internal Audit Plan

Appendix E – Anti-Fraud & Corruption Work Plan 2026/27

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Internal Audit Charter 2026/27

Live from 1 April 2026

Annual evolution changes to this Charter are shown in red text each year

Internal Audit

Author: Simon Milne & Ruth Hodges, Deputy Chief Internal Auditors,
James Cranston, Audit Manager

Version: 1st April 2026 v2

Review Date: March 2027



1. Purpose of the Internal Audit Charter

- 1.1 The Internal Audit Charter is required as part of the Global Internal Audit Standards (GIAS) which provide worldwide professional practice for internal auditing. For UK Local Authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) have the authority for setting standards for internal audit. The Internal Audit Charter also adheres to the requirements set out by CIPFA in the following documents (as amended):
- Application Note for the Global Internal Audit Standards in the UK Public Sector.
 - Code of Practice for the Governance of Internal Audit in UK Local Government.
 - Position Statement: audit committees in local authorities and police.
 - The role of the head of internal audit.
 - Developing an effective assurance framework in a local authority.
- 1.2 The Internal Audit Charter includes the:
- Purpose of Internal Auditing;
 - Commitment to adhering to the Global Internal Audit Standards;
 - Mandate, including scope and types of services, Audit & Governance Committee and senior management responsibilities, expectations and support;
 - Organisational position and reporting relationships.
- 1.3 The Internal Audit Charter is divided into five Domains outlined in the GIAS which are as follows (Appendix G):
- Domain I: Purpose of Internal Auditing.
 - Domain II: Ethics and Professionalism.
 - Domain III: Governing the Internal Audit Function.
 - Domain IV: Managing the Internal Audit Function.
 - Domain V: Performing Internal Audit Services.

2. Who the Charter applies to

- 2.1 The Charter applies to employees (particularly those within Internal Audit), Senior Management, Statutory Officers and Councillors (particularly those on the Audit & Governance Committee).

3. Charter updates

- 3.1 This Charter updates the Internal Audit Charter 2025.

4. Approval process

- 4.1 This Charter requires approval by the Audit and Governance Committee, following consultation with **Statutory Officer Group** (senior management). All significant changes will be approved by Audit & Governance Committee. Any minor changes relating to clarification or wording, will be approved by the Chief Internal Auditor (CIA) and reported to Audit & Governance Committee annually.
- 4.2 The Internal Audit Charter and Mandate will be reviewed by Internal Audit. It will be reviewed at least annually or when changes are required resulting from, for example:
- significant changes to the Global Internal Audit Standards
 - significant reorganisation within the organisation
 - significant changes to the role of the CIA, Audit & Governance Committee, and/or senior management
 - significant changes to BCP Council strategies, objectives, risk profile, or the external environment in which it operates
 - new laws or regulations that may affect the nature and/or scope of internal audit services

5. Links to Council Strategies

- 5.1 The Internal Audit Charter supports the successful delivery of all the BCP Council's objectives, vision and ambitions articulated in the Corporate Strategy, other Key Council Strategies, policies and plans.

6. Internal Audit – Purpose and Mandate (Domain I and Domain III)

Purpose

- 6.1 The purpose of the Internal Audit function is to strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 6.2 The Internal Audit function enhances BCP Council's:
- Successful achievement of its objectives
 - Governance, risk management and control processes
 - Decision-making and oversight
 - Reputation and credibility with its stakeholders
 - Ability to service the public interest
- 6.3 BCP Council's Internal Audit function will be delivered effectively by ensuring:
- It is performed by competent professionals in conformance with the Global Internal Audit Standards
 - The Internal Audit team is independently positioned with direct accountability to the board (at BCP Council, this is the Audit & Governance Committee)
 - Arrangements are in place to ensure its Internal Auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

- 6.4 BCP Council's Internal Audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The CIA will report at least annually to Audit & Governance Committee and senior management regarding the Internal Audit function's conformance with the Standards, which will be assessed through the Quality Assurance and Improvement Program (QAIP).

INTERNAL AUDIT MANDATE (Standard 6.1)

Authority

- 6.5 BCP Council's Internal Audit function mandate is found is contained with the following:

Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024

- 6.6 Regulation 5 of the Accounts and Audit Regulations 2015 requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and taking into account public sector internal auditing standards or guidance.” The Regulations also add that authorities are to “make available such documents and records and supply such information and explanations as are considered necessary by those conducting the internal audit”.

Local Government Act 1972

- 6.7 Internal Audit also assists the Section 151 Officer (Chief Finance Officer) in discharging their delegated responsibilities under Section 151 of the Local Government Act 1972 which requires the Council to “make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.

BCP Council Constitution (Including Financial Regulations)

- 6.8 Part E (Internal Control, Audit and Risk Management) of the Council’s Financial Regulations supports the authority given by Accounts and Audit Regulations 2015 and the Local Government Act 1972.
- 6.9 Part B Section 12 of the Financial Regulations states that “The CIA has rights of access to all Council premises, property, information and data held by officers or councillors of the Council at all reasonable times and is responsible for the overall co-ordination and deployment of external and internal audit resources at the Council. The CIA also has the right to report on any relevant matter of concern to senior management and councillors of the Council outside normal line management arrangements should he/she deem this necessary in protecting the interests of the Council and/or local taxpayers.”
- 6.10 For clarity, the above authority may extend to partner organisations if required.

Responsibilities

Chief Internal Auditor (CIA)

- 6.11 The ‘chief audit executive’ is defined in the GIAS as “the leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with GIAS”. At BCP Council, this role is known as the Chief Internal Auditor (as part of the role of the Head of Audit & Management Assurance).
- 6.12 The CIA is designated by the Chief Finance Officer (CFO) as part of the Service Scheme of Delegation of the Council’s Constitution and plays a key role in providing assurance to Councillors, the CFO, the Head of Paid Service (HPS) and the Statutory Officers Group about the probity, practical deployment and effectiveness of financial management of the Council.
- 6.13 The CIA is responsible for:
- Managing the Internal Audit Service and determining the scope and methods of audit activity.
 - Ensuring that Internal Audit staff operate within current auditing and ethical standards of the professional bodies of which Internal Audit are members.
 - Ensuring Internal Audit staff have an impartial, unbiased attitude and avoid conflicts of interest.
 - Preparing an Internal Audit Charter and annual Internal Audit Plan in consultation with the Audit and Governance Committee for approval.
 - Ensuring that the Internal Audit Service is appropriately resourced in terms of numbers, grades, qualification levels and experience to meet its objectives.
 - Ensuring a system of audit work supervision is in place.
 - Ensuring effective liaison between Internal and External Audit functions.
 - Providing an annual opinion on the overall adequacy and effectiveness of the Council’s control environment for Councillors’ consideration.
 - Notifying External Audit of any matter that they would rightly expect to be informed of in order to support the function of an effective and robust external audit service.

- Determining the nature of any investigation work required in respect of any allegation of wrongdoing, and/or any other action required.
- Requiring any Councillor or staff of the Council to provide any information or explanation needed in the course of an investigation subject to the lawful limits set out in relevant legislation.
- Referring investigations to the Police in consultation with the CFO and Monitoring Officer (MO); under normal circumstances the relevant service manager would also be consulted.
- Referring cases directly to the Police, in consultation with the CFO and MO, if it is believed an internal enquiry would compromise the integrity of the investigation and /or otherwise prejudice the interests of the Council or the general public.

Audit and Governance Committee

- 6.14 For the purpose of the GIAS, the Council's Audit and Governance Committee is as the 'Board' defined by the standards.
- 6.15 Audit and Governance Committee provides independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of BCP Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place. In line with the CIPFA Position Statement: audit committees in local authorities and police (as amended), there are two independent members of the Audit & Governance Committee.
- 6.16 The Audit and Governance Committee are responsible for the following (please see their Terms of Reference for a full list of responsibilities):
- To approve the Internal Audit Charter.
 - To approve the risk-based Internal Audit Plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
 - To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.
 - To consider reports from the Head of Internal Audit on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) regular reports on the results of the Quality Assurance Improvement Programme (QAIP)
 - c) reports on instances where the internal audit function does not conform to the GIAS and LGAN (now the Application Note for the Global Internal Audit Standards in the UK Public Sector), considering whether the non-conformance is significant enough that it must be included in the AGS.
 - To consider the Head of Internal Audit's annual report, with specific reference to:
 - a) The statement of the level of conformance with the GIAS and LGAN (now the Application Note for the Global Internal Audit Standards in the UK Public Sector), and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
 - To consider summaries of specific internal audit reports as scheduled in the forward plan for the Committee or otherwise requested by Councillors.
 - To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every 5 years.
- To commission work from the Internal Audit Service with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee.
- To consider the arrangements for corporate governance including reviews of the Local Code of Corporate Governance and review and approval of the Annual Governance Statement (AGS).
- To consider arrangements for risk management including the approval of the Risk Management Strategy and review of the Council's corporate risk register.
- To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the governance and assurance arrangements for significant partnerships or collaborations.
- To consider arrangements for counter-fraud and corruption, including 'whistle-blowing' including approval of the Anti-Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy.

Chief Finance Officer, Section 151 Officer (CFO)

6.17 The CFO (S151) will be responsible for:

- Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutes, regulations, and other relevant statements of best practice.
- Conducting an annual review of the effectiveness of the system of internal control and publishing the results of this within the AGS for inclusion in the Council's Annual Statement of Accounts.
- Maintaining an adequate and effective Internal Audit Service in accordance with the Accounts and Audit (Amendment) Regulations Act 2021 and further to Section 151 of the Local Government Act 1972.
- Ensuring that the rights and powers of Internal and External Auditors and fraud investigators are upheld at all times across the organisation.
- Ensuring that the statutory requirements for External Audit are complied with and that the External Auditor is able to effectively scrutinise the Council's records.
- Ensuring that audit plans and resulting activities are reported to the Audit and Governance Committee.
- Developing, maintaining and implementing an Anti-Fraud and Corruption Policy (and, in conjunction with Human Resources, a Whistleblowing Policy) that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.
- Advising on the controls required for fraud prevention and detection.
- Appointing a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.
- Ensuring that effective preventative measures are in place to reduce the opportunity for bribery occurring in accordance with statutory requirements of the Bribery Act.
- Preparing the Council's Risk Management Strategy and its promotion throughout the Council and for advising on the management of strategic, financial and operational risks

Senior Management

6.18 For the purpose of the GIAS, senior management is defined as the strategic leadership teams. In BCP Council this includes Directors, Corporate Directors, Chief Executive and the following

groups: the Corporate Management Board (CMB) and Directors Strategy Group (DSG) and Statutory Officer Group (SOG).

6.19 Where appropriate to do so this Charter will specify which Senior Management group/**individuals** a particular item refers to.

Managers and employees

6.20 Managers and employees are responsible for:

- Implementing effective systems of internal control including adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.
- Complying with controls set down in the Financial Regulations and other financial procedures
- Taking corrective action in respect of any non-compliance by staff with relevant rules, regulations, procedures and codes of conduct.
- Planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their objectives, standards and targets.
- Ensuring that auditors (Internal and External) have access to all documents and records for the purposes of the audit and are afforded all facilities, co-operation and explanation deemed necessary.
- Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
- Implementing audit recommendations within agreed timescales
- Ensuring the proper security and safe custody of all assets under their control.
- Reporting cases of suspected cases of fraud or irregularity to the CIA immediately for investigation and complying with the Council's Whistleblowing Policy.
- Complying with the Council's Anti-Fraud and Corruption Policy.
- Ensuring that there are sound systems of internal control within their respective service areas for fraud prevention and detection.
- Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.
- Maintaining local staff registers of interests, gifts and hospitality within their service areas.

Organisational Independence, Organisational Position and Reporting Relationships (Standard 7.1)

- 6.21 The BCP Council Internal Audit Service structurally sits within the Audit & Management Assurance Team within Finance. The CIA reports administratively to the CFO (S151), reports to the Audit and Governance Committee on at least a quarterly basis and meets independently with the Chair of the Audit & Governance Committee as necessary.
- 6.22 The CIA (and DCIAs when overseeing the areas outlined in 7.8) has direct access and freedom to report in their name and without fear or favour to all officers, Senior Management and Councillors (including the Chair of the Audit and Governance Committee) and particularly to those charged with governance, which supports the independence and objectivity of the Internal Audit function.
- 6.23 The CIA will report annually in their own right to the CFO (S151) and the Audit and Governance Committee that independence and objectivity has been maintained. If this is not the case, disclosure will be made; this, for example, may be as a result of resource limitations, conflicts of interest or restricted access to records.
- 6.24 Prior to the appointment of any new CIA, the job **description**, remuneration and performance evaluation process will be reviewed by the Audit & Governance Committee.

Quality Assurance and Improvement Program (QAIP) (Standard 8.3 – Also see Standard 8.1, 8.4, 12.1-12.3)

- 6.25 The Internal Audit function has developed, implemented and maintains a Quality Assurance and Improvement Program (QAIP) that include external and internal assessments of the function's conformance with the GIAS, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The QAIP can be found in Appendix H.
- 6.26 At least annually, the CIA will report the outcomes of the QAIP to the Audit & Governance Committee including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.
- 6.27 External assessments will be conducted at least once every five years by a qualified, independent assessor.

Scope and Types of Internal Audit Services

- 6.28 Our Internal Auditing responsibilities apply to all BCP Council directorates/services. Internal Audit also **may provide** charged **for** services for external partners/organisations. Any new charged **for** services will be agreed by the CIA and reported to the Audit & Governance Committee.
- 6.29 The scope and objectives of the Internal Audit Service is to:
- Provide independence assurance on the adequacy and effectiveness of Governance, Risk Management and Control processes to support the delivery of BCP Council's strategic objectives.
 - Appraise and report on the adequacy of internal controls across the whole organisation as a contribution to the proper, economic, efficient, sustainable and effective use of resources. This includes:
 - i. the completeness, reliability and integrity of information, both financial and operational,
 - ii. the systems established to ensure compliance with policies, plans, procedures, laws and regulations,
 - iii. ensuring Officers, Senior Managers, Councillors and Contractors comply with policies, plans, procedures, laws and regulations,
 - iv. the extent to which assets and interests are accounted for and safeguarded from loss,
 - v. delivery of services are undertaken in an ethical and equitable manner
 - vi. the economy, efficiency, sustainability and effectiveness with which resources are employed, and
 - vii. whether operations are being carried out as planned and objectives and goals are being met.
 - Promote good governance arrangements and monitor progress made against governance actions.
 - Support the risk management process within the Council.
 - Advise on internal controls, risks or governance arrangements.
 - Support where necessary on relevant corporate / service projects or reviews.
 - Add value through advice, facilitation and training (subject to there being no impact on core assurance work, the maintenance of independence and the availability of skills and resources).
 - Support the achievement of value for money.
 - Be proactive in countering fraud and corruption.
 - Provide a corporate fraud investigation service.
 - Support the work of the Audit and Governance Committee.
 - Provide assurance over the financial operation of the Council's maintained schools.
 - Provide assurance on government funds allocated to nurseries, pre-schools and childminders.

- Provide an Internal Audit service for partnerships as directed by the Council.
 - Provide grant certification work as directed by the Council and/or external bodies.
 - Where agreed, undertake audits of the Council's arm's length organisations and companies.
- 6.30 The detailed work of Internal Audit is set out within the risk based Internal Audit Plan which is designed to support the BCP Council's Chief Internal Auditor's Annual Internal Audit Opinion and Council's Annual Governance Statement (AGS).
- 6.31 Where Internal Audit are providing services for a third party, the scope will be agreed between the CIA and the third party. All Internal Audit work will be carried out in line with the BCP Council Internal Audit Charter.
- 6.32 In conducting its work, and if appropriate to do so, Internal Audit may choose to place reliance on the work of other assurance providers (e.g. External Audit, inspection agencies etc), to avoid duplication of effort and to maximise resources.
- 6.33 Internal Audit may undertake "Advisory Reviews", where Internal Audit will provide advice to the Council without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders.

7. Ethics and Professionalism (Domain II)

PRINCIPLE 1 DEMONSTRATE INTEGRITY

Honesty and Professional Courage (Standard 1.1), Organisation's Ethical Expectations (Standard 1.2), Legal and Ethical Behaviour (Standard 1.3)

- 7.1 It is critical that Internal Auditors maintain high standards of honesty, professional courage, ethical and legal behaviours, and as such, they will sign an annual declaration that they will comply with GIAS Domain II. Where members of the Internal Audit team have attained membership of the IIA or other professional bodies such as the Institute of Chartered Accountants in England and Wales (ICAEW) or CIPFA, they must also comply with their relevant bodies' ethical requirements.
- 7.2 All Internal Auditors will have regard to the "Seven Principles of Public Life", known as the Nolan Principles, which forms part of the BCP Council Code of Conduct Policy. The Council's Behavioural Framework, particularly "We have Integrity", highlights the organisation's ethical expectations, which are monitored through 1-2-1s and appraisals.
- 7.3 The Council's Induction process, mandatory training and values includes ethical behaviours and considerations. Those Internal Auditors who are members of the IIA are required to undertake ethical training annually.
- 7.4 Where an Internal Auditor's conduct does not comply with these standards or codes, disciplinary action may be taken, either by the Council or by the individual's professional body.
- 7.5 Where officer or Councillor behaviour in the organisation is inconsistent with the Council's ethical expectations, Internal Audit will act upon these in line with Council and Internal Audit protocol, reporting these to senior management and Audit & Governance Committee as appropriate.
- 7.6 Audit documentation and processes, including the Audit Manual, include methodologies designed to uphold integrity, such as documented management oversight, and ethics-based audits are included on the Internal Audit plan. Internal Audit regularly provide updates on ethical issues to the Audit & Governance Committee.

PRINCIPLE 2 MAINTAIN OBJECTIVITY

Individual Objectivity (*Standard 2.1*), Safeguarding Objectivity (*Standard 2.2*), Disclosing Impairments to Objectivity (*Standard 2.3*)

- 7.7 Internal Auditors must be seen to act independently and objectively at all times. As such, Declarations of Interest forms will be signed annually and updated as any potential conflict arises. These are reviewed by the CIA/DCIAs and any necessary safeguards put in place. Internal Audit staff will not ordinarily have any operational responsibilities or involvement in system design unless approved by the CIA, and will not audit operations for which they have had any responsibility within the previous year. Consideration will be given to declaration of interests and potential conflicts prior to allocation of work. The CIA's declaration of interests will be reported annually to the Audit & Governance Committee.
- 7.8 Functions including Health & Safety, Emergency Planning, Business Resilience, Risk Management and Insurance operate within the Audit & Management Assurance Section and are managed by the CIA. This presents an inherent conflict of interest risk for the CIA for the audit of those areas. Therefore, Internal Audit engagements of these areas will be overseen by the Deputy Chief Internal Auditor (DCIA).

PRINCIPLE 3 - DEMONSTRATE COMPETENCY

Competency (*Standard 3.1*)

- 7.9 Each role within the Internal Audit structure has a job description and person specification which includes skills, competencies and qualifications. All Internal Auditors will be assessed in line with the IIA's competency framework and, in line with Council policy, regular 1-2-1s and annual appraisals are held. Together with audit supervision, these help to develop training plans, which are regularly reviewed, monitored and agreed with officers. Training needs also take into account competency changes e.g. to reflect changing technology and legislation. New Auditors are required to undertake a relevant apprenticeship or professional qualification.
- 7.10 The performance appraisal of the CIA will be informed by feedback received from the Chair of Audit & Governance Committee.

Continuity Professional Development (CPD) (*Standard 3.2 & 7.2*)

- 7.11 The CIA will hold a professional qualification from the Chartered Institute of Internal Auditors (CMIIA), Consultative Committee of Accountancy Bodies (CCAB) or equivalent. The CIA, DCIAs and Audit Managers are required to retain membership of their professional institute and undertake relevant CPD. All Auditors maintain a record of their continual professional development in line with their professional body.

PRINCIPLE 4 - EXERCISE DUE PROFESSIONAL CARE

Conformance with the Global Internal Audit Standards (*Standard 4.1 & 8.1*)

- 7.12 The Internal Audit team's policies and procedures, such the Internal Audit Manual, align with the GIAS. These are updated at least annually. Additionally, the Audit Management System and proforma documents, such as work programmes and reports, have been designed to ensure compliance.
- 7.13 Conformance is overseen on an individual basis as all engagements are subjective to a supervisory review and through individual objectives, 1-2-1 and appraisals. Additionally, an annual self-assessment against the GIAS is undertaken and an external assessment is undertaken at least once every five years. Results of these assessments are reported to Audit & Governance Committee. Action plans are produced for any areas of non-conformance or

enhancements required. Any areas of non-conformance (to the GIAS and/or the CIPFA application note) would be reported to Audit & Governance Committee highlighting alternative actions or rationale.

Due Professional Care (Standard 4.2)

- 7.14 Internal Auditors must exercise due professional care by considering:
- BCP Council's strategy and objectives
 - The interests of those for whom internal audit services provided and the interests of all stakeholders
 - Adequacy and effectiveness of governance, risk management and control processes
 - Cost relative to potential benefits of the internal audit services to be performed
 - Extent and timeliness of work needed to achieve the engagement's objectives
 - Relative complexity, materiality, or significance of risks to the activity under review
 - Probability of significant errors, fraud, non-compliance, and other risks that might affect objectives, operations, or resources
 - Use of appropriate techniques, tools, and technology
- 7.15 All Internal Auditors have an objective to complete audits to a professional standard, which is monitored through the Council performance monitoring process, including 1-2-1s and appraisals.
- 7.16 The Audit Manual, Audit Management System and proforma documentation guide the auditors to complete work at the required standard, and all audits are supervised by Audit Managers/DCIAs.
- 7.17 Performance measures for the Internal Audit function are in place through the QAIP (Appendix H).

Professional Scepticism (Standard 4.3)

- 7.18 The Internal Audit team undertake periodic training regarding professional scepticism. The Audit Manual expects auditors to escalate any potential fraud, irregularities, staff misconduct and breaches. All aspects of the audit process are documented and reviewed by Audit Managers/DCIAs.

PRINCIPLE 5 - MAINTAIN CONFIDENTIALITY

Use of Information – (Standard 5.1), Protection of Information (Standard 5.2)

- 7.19 All members of the Internal Audit team are required to undertake corporate mandatory training in Data Protection every 3 years, and this is covered in the Corporate Induction. Corporate policies, such as ICT Security Policy and Information Security Policy govern how information is controlled and can be used.
- 7.20 Access to IT systems has to be authorised and is restricted to view only where appropriate. Access to Mosaic is only permitted following a DBS check. Internal Audit data is maintained in line with the 'Internal Audit Data Retention & Disposal Schedule' and is retained in adherence to relevant laws and regulations. Access to the engagement records will be controlled. Distribution of audit reports are agreed with the client as part of the Terms of Reference. Any information requests, such as those made through Freedom of Information, must be channelled through the CIA. The Information Governance team will be consulted on the release of all records to external parties. Where final audit reports are released to external parties, a description of the limitations on distribution and use of the results will be included.

PRINCIPLE 9 - PLAN STRATEGICALLY

Understanding Governance, Risk Management and Control Processes (Standard 9.1)

- 8.1 Internal Audit adds value to the Council by considering strategic objectives, decision making, ethical framework, performance and risk management to offer ways to enhance governance, risk management, control processes and by providing objective assurance on these activities.
- 8.2 Internal Audit have produced an Assurance Framework (Appendix I) showing main sources and types of assurance within the Council using the Three Lines Model. Internal Audit use this to help plan coordinated assurance and coverage across the Council's activities.

Internal Audit Strategy (Standard 9.2)

- 8.3 The BCP Council Internal Audit Strategy (Appendix C) has been produced and is updated, at least annually, to ensure the Internal Audit function both supports the strategic success of BCP Council and continually develops to improve its quality, performance and efficiency. This includes opportunities to embrace new technology and ensure it is well positioned to respond to internal and external challenges. The Strategy is approved by Audit & Governance Committee and progress reported to them annually.

Methodologies (Standard 9.3)

- 8.4 The CIA maintains and regularly reviews an Audit Manual which details the methodologies to guide the Internal Audit function in line with required standards. This is supported by both the Audit Management System, which has been designed to ensure compliance with the methodologies and standards, and use of standard documentation. All Internal Audit staff have been trained on methodologies, including the use of the Audit Management System.

Internal Audit Plan (Standard 8.1 & 9.4)

- 8.5 The CIA develops an annual risk based Internal Audit Plan, which is updated at least quarterly to reflect changing risks and priorities of the organisation, and to enable the production of the annual internal audit opinion.
- 8.6 The Internal Audit Plan is based on documented assessments of the BCP Council's strategic objectives and risks, following consultation with Audit & Governance Committee and senior management (directors).
- 8.7 The plan will:
- Consider the Internal Audit Mandate
 - Include the range of Internal Audit services required, including fraud investigations, provision of advice, and maintenance of policies and procedures
 - Consider coverage of information technology governance, fraud, compliance and ethics, and high risk areas, including the need for specialist areas
 - Identify necessary human, financial and technological resources
 - Consider the breadth and depth of assurance required in order to provide the CIA's annual audit report and any limitations or restrictions
 - Consider a range of information sources (Appendix E).
- 8.8 The CIA reports the risk based Internal Audit Plan and resource requirements to the CFO (S151) and the Audit and Governance Committee annually for review and approval. Revisions to the audit plan, including impact on limitation of scope and access to information, exclusion of high-risk areas, and conflicting demands, will be reported to Audit & Governance Committee.

Coordination and Reliance (Standard 9.5)

- 8.9 The CIA will coordinate delivery of service with other assurance providers, for example, through regular liaison with external audit. Other sources of assurance are considered in the planning and scoping of audits.

PRINCIPLE 10 MANAGE RESOURCES

- 8.10 For the Internal Audit Service to fulfil its responsibilities, it must be appropriately resourced in terms of finance, human and technologically.

Financial Resource (Standard 10.1) and Human Resource Management (Standard 8.2 & 10.2)

- 8.11 The staff structure of Internal Audit function considers the numbers, professional qualifications, skills, experience and competencies required to deliver the mandate. These resources must be effectively deployed to achieve the approved risk-based plan. On-going training, appraisals and competency assessments are undertaken to ensure skills and competencies remain sufficient. (See paragraph 7.9 & 7.11)
- 8.12 The CIA reports to Audit & Governance Committee regarding the adequacy of financial (including budgets) and human resources to allow fulfilment of its responsibilities as part of annual audit plan, and as part of the Annual Audit Opinion. Regular updates are included as part of the Quarterly report. It is the responsibility of the CIA to report to the CFO (S151) and the Audit and Governance Committee on any resource concerns that may impact upon the delivery of the annual audit opinion.
- 8.13 If necessary, the CIA will engage additional (specialist) resources.

Technological Resources (Standard 10.3)

- 8.14 The CIA will ensure that auditors have access to the technology they require to undertake the role effectively, and that auditors receive training to effectively deploy IT. This is part of the Internal Audit Strategy and Data Analytics Strategy.

PRINCIPLE 11 COMMUNICATE EFFECTIVELY

Building Relationships (Standard 11.1) and Communicating with Stakeholders & Effective Communication (Standard 11.2)

- 8.15 The CIA has established effectively communication between the Internal Audit function and key stakeholders, both formal and informal. The include established reporting arrangements with Audit & Governance Committee and the CIA's attendance at the Statutory Officer Group. Meetings are held at least annually with directors as part of the annual audit planning process and regular updates are provided to directorate management.
- 8.16 The Audit Manual and standard documentation, including audit reports, help promote clear, accurate, objective and concise communication.

Communicating Results (Standard 8.1 & 11.3)

- 8.17 All audit reports (including audit opinions) are sent to the relevant Corporate Director (who are members of the Corporate Management Board). All audit opinions are reported to Audit and Governance Committee on a quarterly basis **and in summary as part of the CIA's Annual Report**. Audit reports with a "Minimal" assurance will be provided in full to the Audit & Governance Committee and "Partial" assurance audit reports will be provided in a summary format. Members of the Audit and Governance Committee have access to all final audit reports.

- 8.18 Key themes are identified in audit recommendations. Power BI reports are used to detect patterns or trends from key themes. These are monitored by Internal Audit Management.

Errors and Omissions (Standard 11.4)

- 8.19 If final audit reports contain a minor error (an error which does not affect the assurance opinion level) then updated audit reports will be sent to all parties who received the original communication. Where final audit reports contain a significant error (an error that will change the assurance opinion level), the CIA (or delegated officer) will communicate the corrected information to all parties who received the original communication and report these instances to the Audit & Governance Committee.

Communicating the Acceptance of Risks (Standard 11.5)

- 8.20 Where management does not intend to address risks mitigated by High or Medium priority audit recommendations, there must be a request in writing to the CIA and the Statutory Officers Group to approve this. All accepted risks will be reported to Audit & Governance Committee (Appendix F).

PRINCIPLE 12 ENHANCE QUALITY

Internal Quality Assessment Standard (Standard 12.1) Performance Measurement (Standard 12.2)

- 8.21 The QAIP (Appendix H) details the quality standards and performance measures for the Internal Audit function, and how these will be determined and reported.

Oversee and Improve Engagement Performance (Standard 12.3)

- 8.22 The QAIP and the Audit Manual outline the methodologies to be used to oversee and improve engagement performance. These include engagement supervision and review over the whole audit process, including Audit planning (terms of reference), work programmes and working papers/testing, and reporting. Supervisory checks are evidenced and retained. Standard documentation and the Audit Management System support high performance.
- 8.23 The CIA retains the ultimate responsibility for quality and performance, but supervision and review is delegated to DCIAs and Audit Managers.

9. Performing Internal Audit Services (Domain V)

PRINCIPLE 13 – PLAN ENGAGEMENTS EFFECTIVELY

Engagement Communication (Standard 13.1)

- 9.1 For all audit engagements (including engagements for external parties and consulting engagements) a terms of reference will be prepared, discussed and agreed with relevant managers.

Engagement Risk Assessment (Standard 13.2)

- 9.2 Audit work is undertaken using a risk-based audit approach, which will consider the probability of significant errors, fraud and non-compliance. A preliminary risk assessment will be prepared for each audit engagement to consider the organisation's and activity's strategies and objectives, the risks and significance of the activity not meeting its objectives, the effectiveness of governance, risk management and control processes. Other considerations will be given to (but not limited to) organisational structure, legal & regulatory requirements, relevant frameworks, performance monitoring & management information, best practice or relevant guidance, process documentation, systems, records, personnel, premises and relevant action plans (Appendix E).

- 9.3 Where topical requirements are relevant, Internal auditors must comply with the relevant requirements when the scope of an engagement includes one of the identified topics or provide an explanation as to why these have not been included.

Engagement and Scope (Standard 13.3)

- 9.4 The engagement objectives will be based on the results of the engagement's risk assessment and are documented in the scope of the engagement's terms of reference. The terms of reference should establish the objectives, scope and timing for the audit assignment and its resources and reporting requirements.
- 9.5 The scope of any engagements will be sufficient to address the objectives. However, if there are any reservations regarding the scope during an engagement, these will be raised with the client and the CIA (or delegated officer) to determine if the scope needs to be amended. Internal Audit hold the right to amend the scope of an engagement as necessary and where a limitation of scope during a review is required, this will be done in consultation with the auditee and will be reported appropriately. Amendments to scope and limitations of scope will be agreed with the DCIA(s).
- 9.6 The use of Data Analytics will be considered for all audit engagements in line with the Internal Audit Data Analytic Strategy (Appendix D).

Engagement Resources (Standard 13.5)

- 9.7 Engagements will be allocated and carried out by Internal Auditors with the right mix of knowledge and skills to effectively complete the engagement, relative to its nature and complexity. Auditors will be given sufficient resources to undertake the engagement.

Engagement Evaluation Criteria (Standard 13.4) and Work Programme (Standard 13.6)

- 9.8 Work programmes will be developed based on the risk assessment (including planning processes) and the engagement's objectives. Work programmes are completed within the Audit Management System and will include the methodologies for identifying, analysing, evaluating and documenting the audit testing to achieve the engagement's objectives. The auditor assigned to each test will also be documented.
- 9.9 Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope. For advisory services, the identification of evaluation criteria may not be necessary, depending on the agreement with relevant stakeholders. Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals.

PRINCIPLE 14 CONDUCT ENGAGEMENT WORK

Gathering Information for Analyses and Evaluation (Standard 14.1) and Engagement Documentation (Standard 14.6)

- 9.10 During engagements Internal Auditors will obtain information that is relevant, reliable and sufficient to achieving the objectives of the engagement. Supporting documentation will be collated to support the results of the engagement.
- 9.11 Internal Audit testing will be carried out and documented sufficiently to allow a prudent internal auditor or competent person to be able to repeat the work and derive to the same result.

Analyses and Potential Engagement Findings (Standard 14.2) and Evaluation of Findings (Standard 14.3)

- 9.12 Auditors are required to identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives. This evidence supports their findings, conclusions, professional judgements and recommendations and therefore must be factual and accurate.

- 9.13 Each audit engagement will be overseen by the relevant Audit Manager. When evaluating engagement findings Auditors will aim to establish the root cause when possible.
- 9.14 To determine the significance of the risk, internal auditors must consider the likelihood of the risk occurring and the impact the risk may have on the Council's governance, risk management, or control processes.

Recommendations and Action Plans (Standard 14.4)

- 9.15 Contents of draft reports (including findings, recommendations, risks, opinion and finding priorities) are discussed with relevant managers to confirm factual accuracy. Significant issues will be brought to the attention of management during the course of engagements to allow for immediate action.
- 9.16 Managers are required to give timely responses to each recommendation including the responsible officer for each action and the target date for completion. Management responses are reviewed by the relevant Internal Audit Manager to ensure that actions will mitigate risks to an acceptable level and within an acceptable timeframe.
- 9.17 If there are any disagreements between internal audit and management regarding the draft report in terms of findings, recommendations, priority and assurance opinion, internal audits will discuss these with management in the first instance to try to resolve, after which the audit escalation process will be followed to ensure that a resolution is determined (Appendix F). Internal auditors must not be obligated to change any portion of the engagement results unless there is a valid reason to do so
- 9.18 Below provides a description of the three priority levels given to recommendations, together with an expected timeframe for implementation; the framework for scoring recommendations is contained within the audit manual.

Priority	Description
High	<p>High priority recommendations have actual / potential critical implications for achievement of the Service's objectives and/or a major effect on service delivery. Agreed actions should be urgently implemented by the Service within 3 months* of the issue of the final audit report and the associated risk(s) added to the Service Risk Register.</p> <p><i>Recommendations will be followed up by Internal Audit as they fall due.</i></p>
Medium	<p>Medium priority recommendations have actual / potential significant implications for achievement of the Service's objectives and/or a significant effect on service delivery. Agreed actions should be implemented by the Service within 9 months* of the issue of the final audit report and formal consideration should be given to adding the associated risk(s) to the Service Risk Register.</p> <p><i>Recommendations will be followed up by Internal Audit as part of the next audit review or within six months after the implementation due date (whichever is sooner). Where a revised target date has been agreed, this will be followed up by Internal Audit as the recommendation falls due.</i></p>
Low	<p>Low priority recommendations have actual / potential minor implications for achievement of the Service's objectives and/or a minor effect on service delivery. It rests with the Service to implement these actions.</p> <p><i>Recommendations will not be routinely followed up by Internal Audit, however, action taken to implement may be assessed on an ad hoc basis.</i></p>

*It may be necessary in exceptional circumstances to agree implementation dates beyond the stated timescales above, in which case these exceptions must be approved by the DCIA/CIA.

Engagement Conclusions (Standard 14.5) and Final Engagement Communication (Standard 15.1)

9.19 Draft and final report will contain the objectives, scope, all material facts, conclusions, recommendations, action plans, and any limitations. An Internal Auditor’s Opinion regarding the effectiveness of the governance, risk management and/or control process of the activity under review will be given. The Council’s opinion levels are detailed in the table below:

Opinion	Description
Substantial Assurance	There is a sound control framework which is achieving the service objectives, there were no identified weaknesses and key controls were being consistently applied.
Reasonable Assurance	There is basically a sound control framework, however there are / may be some weaknesses which may put service objectives at risk.
Partial Assurance	There are weaknesses in the control framework which are putting service objectives at risk.
Minimal Assurance	The control framework is generally poor and as such service objectives are at significant risk.

9.20 Reports will be issued in a timely manner, in accordance with the Terms of Reference, subsequent to the completion of the work programme. Any significant variance in the timeframe for the report being issued will be agreed by the CIA or DCIA.

9.21 Where management has initiated or completed recommendations/actions to address a finding before the final report is issued, the action taken will be noted within the final report.

9.22 The CIA has the overall responsibility for reviewing and approving the final engagement communication. However, Audit Managers are delegated this duty in most instances. Final Reports will be communicated to the correct officers/Councillors to ensure that the results are given due consideration.

9.23 Final engagement communication may be in the form of an email where considered appropriate; however, this will be agreed with the CIA or DCIA before issuing.

9.24 Where a non-conformance to the GIAS impacts on a specific audit engagement, then the communication of the results must disclose the:

- Standard or rule with which full conformance was not achieved.
- Reasons for non-conformance.
- Impact of non-conformance on the engagement and the results.

9.25 Instances of non-conformance will be reported to the Audit and Governance Committee.

PRINCIPLE 15 COMMUNICATE ENGAGEMENT RESULTS AND MONITOR ACTION PLANS

Confirming the Implementation of Recommendations or Action Plans (Standard 15.2)

9.26 High and medium priority recommendations will be follow-up within the timescales outlined in 9.18 to ensure that management actions have been effectively implemented or that Senior Management has accepted the risk of not taking action. See Appendix F for follow up and escalation process.

9.27 Non-implemented or acceptance of risk audit recommendations will follow the Internal Audit escalation process. (Appendix F).

10. List of Appendices

Appendix A – Equality Impact Assessment

Appendix B – Glossary

Appendix C – Internal Audit Strategy

Appendix D – Data Analytics Strategy

Appendix E – Information sources to determine scope of an audit

Appendix F – Follow Up and Escalation Process

Appendix G – Global Internal Audit Standards Domains

Appendix H – Internal Audit Quality Assurance and Improvement Programme

Appendix I – Internal Audit Assurance Framework

Appendix J – Consultees and document control

Appendix A

Equality Impact Assessment: Conversation Screening Tool

The Council is legally required by the Equality Act 2010 to evidence how it has considered its equality duties in its decision-making process.

The Council must have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to -

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

A link to the full text of [s149 of the Equality Act 2010](#) which must be considered when making decisions.

1	What is being reviewed?	Internal Audit Charter <i>2026/27</i>
2	What changes are being made?	<i>Minor changes to the Internal Audit Charter to ensure compliance with the Global Internal Audit Standards and CIPFA application note: Global Internal Audit Standards in the UK Public Sector.</i>
3	Service Unit:	Finance
4	Participants in the conversation:	Ruth Hodges, Deputy Chief Internal Auditor James Cranston, Internal Audit Manager Sophie Bradfield, Principal Policy & Strategy Officer Jon Cockeram, Service Equality Champion
5	Conversation date/s:	<i>24/02/2026</i>
6	Do you know your current or potential client base? Who are the key stakeholders?	The Audit Charter will affect employees (particularly those within Internal Audit), Members and Statutory Officers. Data for the following staff equality characteristics were obtained and considered; age, gender, gender identity, disability, ethnicity, marriage and civil partnerships, religious belief, and sexual orientation, and no equalities implications for this charter were identified upon review. It was noted that there is no requirement for staff to complete their equalities information on the Dynamics system. Whilst efforts have been made to persuade staff to do so, there are differing completion levels for each different characteristic. This is

		<p>something HR are aware of and are actively trying to come up with suitable solutions to address.</p> <p>Councillor gender characteristics were obtained and considered. It should be noted that there is no comprehensive list of equality data for Councillors. Whilst Councillors are asked for details of age, gender etc upon election, the majority do not provide a response, with only ~25% providing the information. Democratic services are aware of this issue and are actively seeking solutions to address this. The only known characteristic is gender, and no equalities implications for this charter were identified upon review.</p>
7	Do different groups have different needs or experiences?	<p>People with disabilities (visual or mental health) may have difficulty accessing Internal Audit documentation including reports and this Charter, however alternative formats for documentation are available on request.</p> <p>All other protected characteristics have been considered, and no different needs or experiences have been identified.</p>
8	Will this change affect any service users?	The Charter lays out the purpose, roles, responsibilities and authority of Internal Audit, the Chief Internal Auditor, the Audit and Governance Committee, the Section 151 Officer and managers & employees.
9	What are the benefits or positive equality impacts of the change on current or potential users?	The Charter will ensure that Internal Audit reviews Council services to ensure that they are operating efficiently and safeguarding public resources, supporting the Council to support vulnerable people from across a range of protected characteristics.
10	What are the negative impacts of the change on current or potential users?	No negative equality impacts have been identified.
11	Will the change affect employees?	Yes, the Charter affects employees by laying out their roles & responsibilities in relation to Internal Audit, however as mentioned above this will not have any equality impacts.
12	Will the change affect the wider community?	This Charter does not affect the wider community.
13	What mitigating actions are planned or already in place for those negatively affected by this change?	No negative equality impacts have been identified, so no mitigating actions required.
14	Summary of Equality Implications:	<p>The Charter has been considered in light of all protected characteristics and will ensure that Internal Audit reviews Council services to ensure that they are operating efficiently and safeguarding public resources, supporting the council to support vulnerable people from across a range of protected characteristics.</p> <p>No negative equality impacts have been identified; however, all internal processes are considered with regard to equality & fairness and adhere to global standards and best practice.</p>

Appendix B

GLOSSARY & ACRONYMS

Acceptance of Risk - A concept where a risk is rendered acceptable, thereby deciding to not reduce or mitigate it.

Advisory Services – Services through which internal auditors provide advice to the Council without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. “Advisory services” are also known as “consulting services.”

Annual Governance Statement – The purpose of the Annual Governance Statement is for the Council to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. This includes how the authority has monitored and evaluated the effectiveness of its governance arrangements in the year.

Annual Internal Audit Opinion - The rating, conclusion, and/or other description of results provided by the Chief Internal Auditor addressing, at a committee level, governance, risk management, and/or control processes of the Council. An overall opinion is the professional judgment of the Chief Internal Auditor based on the results of a number of individual engagements and other activities for a specific time interval.

Assurance activity - Services through which internal auditors perform objective assessments to provide assurance.

Audit Engagement - A specific internal audit assignment or project that includes multiple tasks or activities designed to accomplish a specific set of related objectives.

Audit & Governance Committee – Highest-level body charged with governance. It is the Council’s Committee that provide the internal audit function with the appropriate authority, role, and responsibilities. Regarding the Global Internal Audit Standards, The Audit & Governance Committee act as the “Board”.

Audit Management System (AMS) – The Internal Audit Teams application designed to help the team plan, execute, and monitor audit processes efficiently.

CCAB – Consultative Committee of Accountancy Bodies - An umbrella group comprising several chartered professional bodies of British qualified accountants.

CFO – Chief Finance Officer (Also Section 151 Officer) – Responsible for making arrangements for the proper administration of the Council’s financial affairs.

Chief Internal Auditor (CIA) – For the purposes of the Global Internal Audit Standards, the Chief Internal Auditor acts as the Chief Audit Executive. The Chief Internal Auditor is The Head of Audit & Management Assurance in BCP Council.

CIPFA – Chartered Institute of Public Finance and Accountancy.

Competency Framework - The IIA’s Internal Audit Competency Framework provides a clear and concise professional development plan for internal auditors.

CMIIA – Chartered Member of the Institute of Internal Auditors.

Control Environment - The attitude and actions of the Committees and management regarding the importance of control within the Council. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes integrity and ethical values, management’s philosophy and operating style, organisational structure, assignment of authority and responsibility, human resource policies and practices and competence of personnel.

Controls (Also Internal Controls) - Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

DCIA – Deputy Chief Internal Auditor.

Factual Accuracy – Refers to the precision and correctness of the information and findings reported by the auditor. Ensuring factual accuracy means that all observations, conclusions, and recommendations are based on verified and reliable data.

Financial Regulations - Provide the governance framework for managing the Council's financial affairs

Global Internal Audit Standards (GIAS) - The Institute of Internal Auditors' Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

Governance - The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the Council toward the achievement of its objectives.

ICAEW - Institute of Chartered Accountants in England and Wales.

IIA - Chartered Institute of Internal Auditors - The professional association for internal auditors in the UK and Ireland.

Impact - The result or effect of an event. The event may have a positive or negative effect on the entity's strategy or business objectives.

Internal Audit Charter - A formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of services, and other specifications.

Internal Audit Mandate - The internal audit function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations.

Internal Audit Opinion - A formal statement provided by internal auditors that assesses the adequacy and effectiveness of the Council's governance, risk management, and internal control processes.

Internal Audit Plan (Risk-based Internal Audit Plan) - A document, developed by the Chief Internal Auditor, that identifies the engagements and other internal audit services anticipated to be provided during a given period.

Internal Audit Strategy – a plan of action designed to achieve a long-term or overall objective including a vision, strategic objectives, and supporting actions.

LGAN – Local Government Application Note, now the CIPFA application note: Global Internal Audit Standards in the UK Public Sector.

Likelihood - The probability that a given event will occur

Limitation of scope - Any restriction that prevents auditors from obtaining sufficient, appropriate evidence to achieve the objectives of an audit engagement.

Professional Scepticism - Questioning and critically assessing the reliability of information.

QAIP (Quality Assurance and Improvement Programme) - A comprehensive framework designed to evaluate and enhance the quality of the internal audit function.

Risk Assessment – The identification and analysis of risks relevant to the achievement of the Council's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

Risk Management - A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the Council's objectives.

Risk - The positive or negative effect of uncertainty on objectives.

Seven Principles of Public Life (Nolan Principles) - These principles outline the ethical standards expected of public office holders.

Terms of Reference – A document outlining the objectives, scope, timings and responsibilities for audit engagements.

Topical Requirements - Relate to specific audit subjects to help internal auditors perform engagements in those risk areas.

Value for Money - An assessment of whether the Council is using its resources efficiently, effectively, and economically.

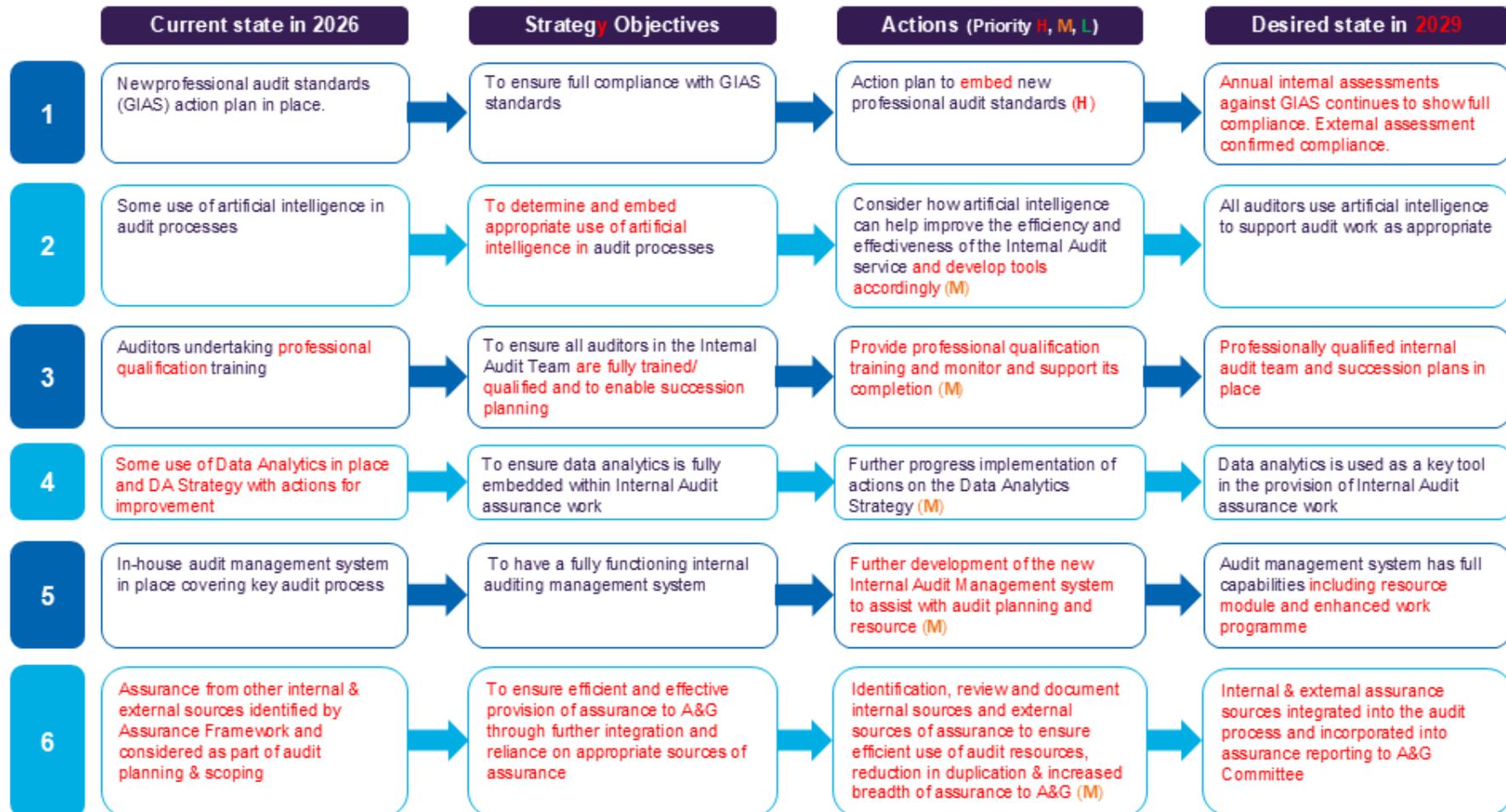
Work programme - The process of collecting, analysing, interpreting, and documenting audit testing during an audit engagement.

BCP Council Internal Audit Strategy 2026-29



Vision: To continuously improve the risk, control and governance arrangements across the Council through upholding professional standards and increasing efficiency, particularly through the harnessing of developments in IT.

Objective: To strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.



INTERNAL AUDIT DATA ANALYTICS STRATEGY 2025-28

A. Purpose

Data analytics is the process of examining data sets in order to find trends and draw conclusions about the information they contain.

This revised strategy for the period of 2025-2028 will further integrate the application of Data Analytics within the Internal Audit team. As a consequence of the previous three years of efforts in this domain, we have progressed to a stage where we are “Data Analytics Defined.” This achievement stems from our staff training, the assimilation of data analytics within the audit process, and the production of actionable results that have been effectively utilised by the organisation.

BCP Council continues to amass an extensive array of data pertaining to service users, employees, and other stakeholders. As an integral aspect of organisational design, data and insights will play pivotal roles in the proposed enhancement of service automation, thereby expediting and simplifying the process through which our customers obtain their desired outcomes.

Data analytics is a critical tool to add to the auditors’ toolkit to assist in the credibility of assurance work, and the maximisation of audit findings and value. Data analytics are relevant at all stages of the audit journey; developing the audit plan, planning individual audit engagements to ensure they are focused on what is important, providing assurance at the execution phase of audits through to strategic sample testing and 100% testing of data sets and supporting the production of value-added audit reports.

The strategy supports Internal Audit’s conformance with the Global Internal Audit Standards in respect of Internal Audit’s independence of the control framework.

B. Background

The expectations and the environment within which Internal Audit operates is changing. Increasingly processes are becoming more data driven, more automated and there is less human involvement in decision making, resulting in a reliance on data quality.

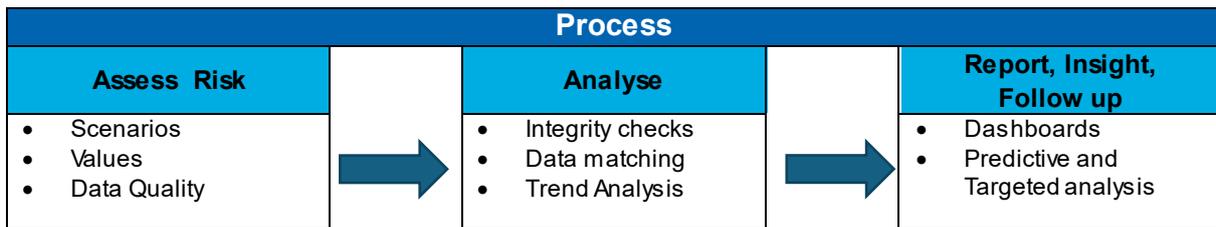
Internal Audit therefore needs to adapt, change and embrace new ways of providing assurance, moving with the organisation and supporting it by adding value through data driven assurance practices.

Internal Audit has a strategic opportunity to leverage data analytics in identifying risks and providing insightful analysis for the organisation. While it remains the responsibility of management to ensure proper risk mitigation, Internal Audit can deploy data analytics to pinpoint areas or transactions where controls are either lacking or ineffective.

The objective is to enable the organisation to make more informed and precise decisions by delivering robust assurance, thereby driving organisational change and mitigating the risks associated with poor decision-making through enhanced data reliability.

C. Why Data Analytics?

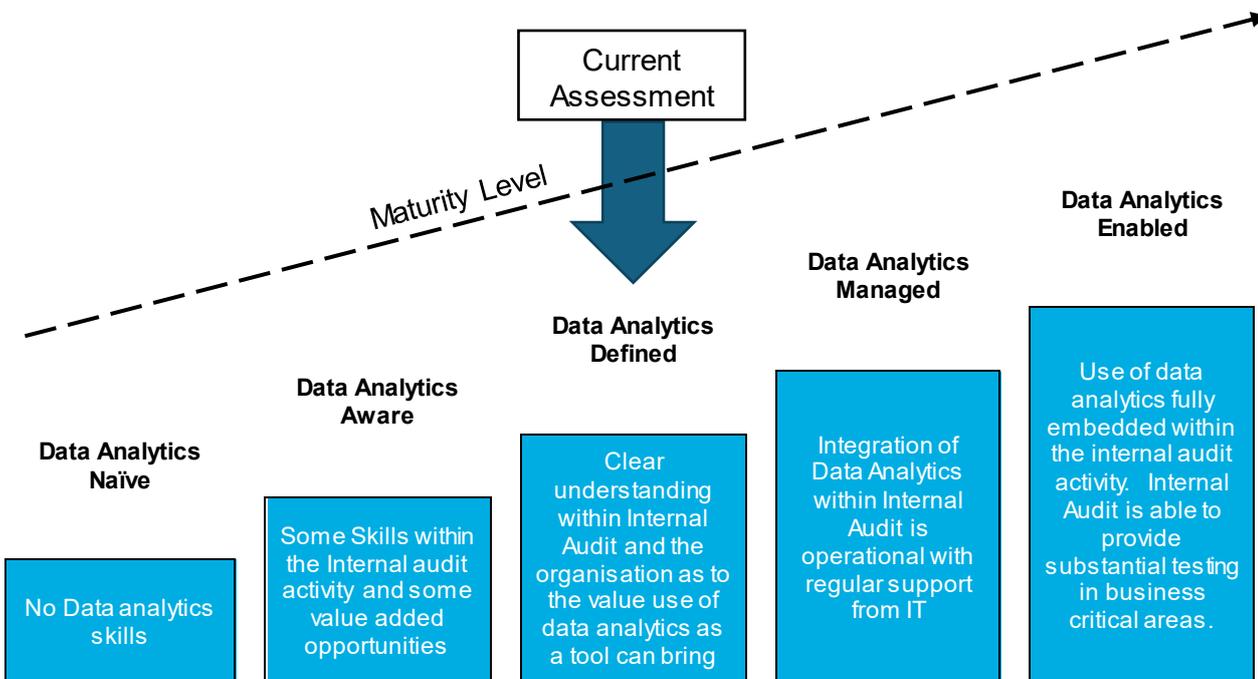
Benefits			
Increased Data Availability	Efficient and Effective	Increased Assurance	Gain New Insights
<ul style="list-style-type: none"> Information is available more readily from modern systems Council moving towards single data set Modern working practices and technology increasing data availability 	<ul style="list-style-type: none"> Less manual testing Whole population testing Larger datasets able to be reviewed 	<ul style="list-style-type: none"> Continuous and periodic monitoring Wider coverage allows greater assurance Supporting organisational decision making 	<ul style="list-style-type: none"> Trends and outliers Unexpected outcomes Identification of potential areas of fraudulent activity



D. Where are we now and the plan forward

The diagram below is a recognised scale for assessing maturity of an audit function to Data Analytics. Whilst the ultimate goal is to reach the upper end of the scale (Enabled), it is recognised that incremental steps will need to be taken to embed Data Analytics within the systems and processes that are currently in place.

Data Analytics Maturity Model;



E. Integration of Artificial Intelligence in Data Analytics

To enhance our data analytics capabilities, the Internal Audit team is actively pursuing the integration of Artificial Intelligence (AI) into our existing processes. The primary objective of this integration is to enhance accuracy, efficiency, and the overall impact of our data analytics functions.

AI holds substantial potential to augment our data analytics efforts through advanced functionalities such as predictive analytics, anomaly detection, and the automation of routine tasks.

The integration of AI will be executed in a phased approach, ensuring the establishment of a solid foundation and the gradual scaling up of our capabilities. Additionally, we will ensure that our team receives the necessary training to effectively utilise these advanced tools, thereby advancing towards a "Data Analytics Managed" maturity level.

F. Integration of Continuous Audit Processes

The organisation is enhancing its data analytics by integrating continuous audit processes into existing frameworks. This aims to ensure real-time monitoring and rapid anomaly detection, improving audit accuracy and thoroughness. Continuous audits will keep financial and operational insights up-to-date, allowing prompt corrective actions and achieving a "Data Analytics Managed" maturity level.

The implementation will be gradual, aligning with AI integration phases, ensuring auditors are trained to use advanced tools effectively. This will maximise accuracy, efficiency, and impact, fostering a robust data analytics environment for strategic auditing.

Additionally, continuous audits will enhance anomaly detection and integrate seamlessly with other data systems, including F&O and HR systems, improving overall reporting and supporting counter fraud efforts and data matching.

G. Actions

BCP Internal Audit, based on the above analysis therefore have the following actions for implementing improvements to our data analytics processes:

Action	Responsible Officer	Target Date
2025/26 ACTIONS		
To deliver assurance through data analytics for further dataset areas (including Debtors and Payroll)	Deputy CIAs Audit Managers	Completed
To review and enhance the most effective way to report findings from Data Analytics work back to clients	Audit Managers	Completed
Further integration with Dynamics F&O to obtain data and allow more effective Analytics to be performed on HR and Payroll data.	Audit Managers	Carried forward to 2026/27 due to new Payroll system implementation
Consider options for data matching by Internal Audit for counter fraud purposes.	Deputy CIAs Corporate Fraud Specialist	Completed
Training of team on effective use of AI within Data Analytics	Audit Managers	Completed
2026/27 Actions		
Further integration with Dynamics F&O to obtain data and allow more effective Analytics to be performed on HR and Payroll data.	Audit Managers	March 2027

To roll out continuous audit practices for other areas with more focus on HR and Payroll data from Dynamics F&O.	Audit Managers	Carried forward to 2027/28 due to new Payroll system implementation
To integrate with Council Tax, NDR and Housing Benefit data in the new Revenues and Benefits System to enable Data Analytics and assurance work to be completed.	Audit Managers	March 2027
2027/28 Actions		
To roll out continuous audit practices for other areas with more focus on HR and Payroll data from Dynamics F&O.	Audit Managers	March 2028
Ascertain information held within the "Data Lake" and how we might use this information within Data Analytics <i>(B/fwd from 2024/25 due to delay in corporate IT activity, unknown target date for implementation at this time)</i>	Deputy CIAs	March 2028

These actions will be reviewed annually throughout the strategy period.

Last updated March 2026

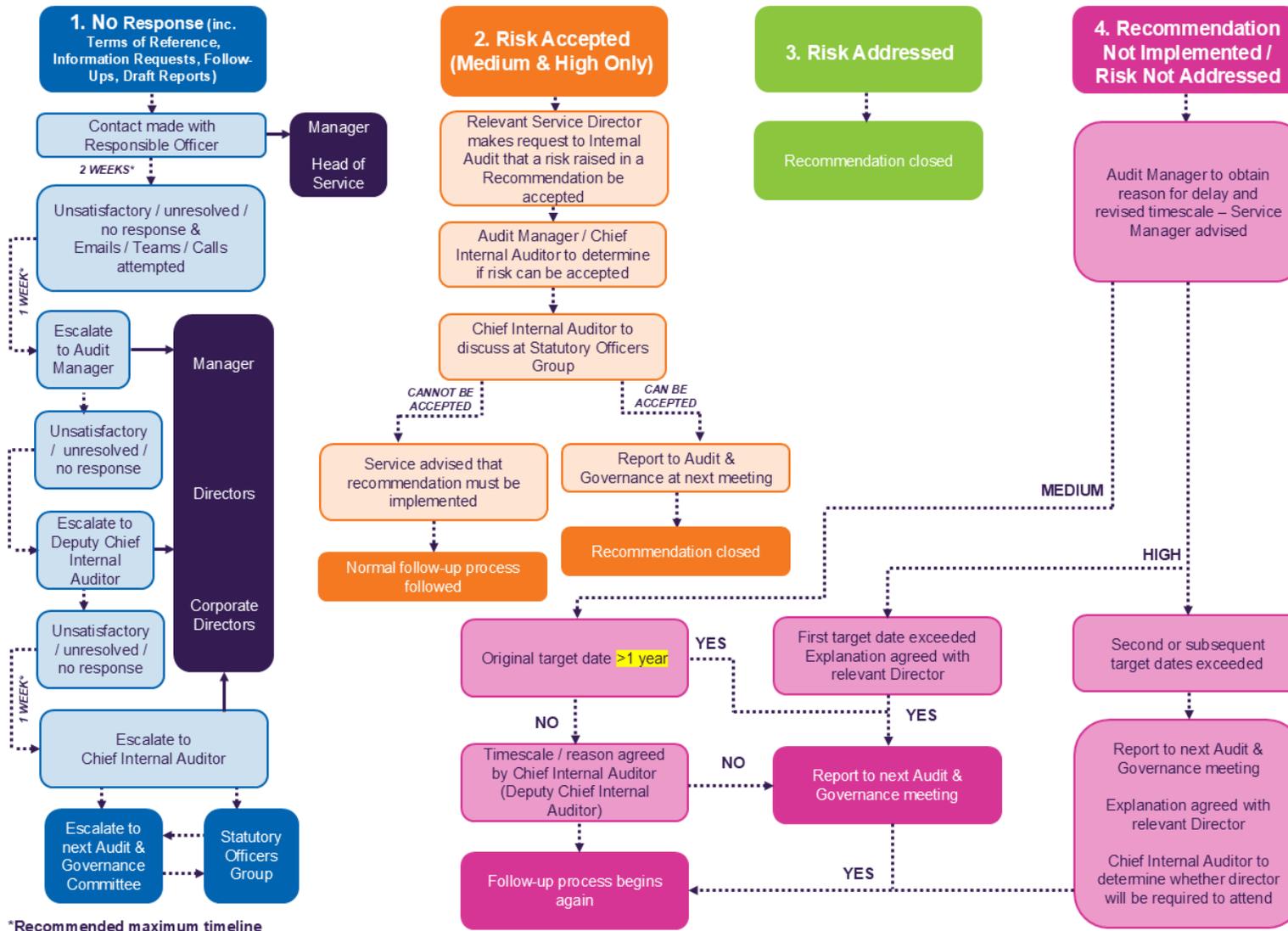
Appendix E

INFORMATION SOURCES TO DETERMINE SCOPE OF AN AUDIT - *These are also used to inform Internal Audit strategic/annual audit planning*



FOLLOW-UP PROCESS AND ESCALATION PROCESS (INCLUDING FOR NON-IMPLEMENTED INTERNAL AUDIT RECOMMENDATIONS)

Last Updated: 24/02/2026





International Professional Practices Framework® (IPPF)

INTERNAL AUDIT QUALITY ASSURANCE & IMPROVEMENT PROGRAMME



1. Introduction

- 1.1 The Global Internal Audit Standards requires that the Chief Internal Auditor must develop, implement and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity.
- 1.2 The QAIP is designed to assess conformance with the GIAS and other key requirements (including the Code of Practice for the Governance of internal Audit in the UK Local Government) and achieve performance objectives and identify opportunities for improvement. The Audit & Governance Committee will approve the QAIP and will receive the performance results at least annually.
- 1.3 The QAIP includes the following:
 - Internal Assessments – Ongoing performance monitoring of the Internal Audit Activity to ensure effectiveness of the Internal Audit Team (Section 2) and periodic self-assessments to evaluate conformance with the GIAS (Section 3).
 - External Assessments - assessments of the audit activity to evaluate conformance with the GIAS (Section 4).
- 1.4 All internal audit staff have a responsibility for maintaining quality.

2. Ongoing Performance Monitoring

INTERNAL AUDIT RESOURCES

- 2.1 The structure of the Internal Audit Service will be periodically reviewed to ensure that it remains appropriately resourced in terms of numbers, grades, qualification levels and experience to meet its objectives.
- 2.2 All Auditors will hold a relevant professional qualification or will have equivalent audit experience and new auditors will be required to undertake a relevant apprenticeship or relevant qualification.
- 2.3 All Internal Auditors will be assessed in line with the IIA's competency framework.

INTERNAL AUDIT DELIVERY

- 2.4 **Engagement Supervision / Reviews** – All aspects of audit engagements are supervised by either an Audit Manager (AM) or Deputy Chief Internal Auditor (DCIA). All terms of references and work programmes are approved prior to commencement of fieldwork. Working papers are reviewed during and after the engagement. Review and approval of all draft and final audit reports are undertaken by the AM and all partial / minimal / substantial assurance reports are reviewed by the DCIA and CIA. Consideration will be given to engagement rotations to ensure the right balance of skills, experience and objectivity. Evidence of supervision / reviews are evidenced and retained.

- 2.5 Monthly one-to-one meetings (with Auditors and Audit Managers) and team meetings include discussions on audit progress and audit engagement issues.
- 2.6 **Audit Processes** – Various policy and procedure documents have been produced and made available to all auditors to assist with performing the internal audit activity and maintain quality including:
- Internal Audit Charter
 - Internal Audit Manual
 - Internal Audit Management System
 - Internal Audit process templates
 - Internal Audit process training videos
 - Internal Audit Data Retention Policy.

Audit processes are regularly reviewed. Any changes to processes are updated and recorded in the Audit manual and/or Audit Charter where required.

- 2.7 **Stakeholder Feedback** – Internal Audit Satisfaction Surveys are requested for each audit engagement. Survey results are monitored by the Deputy Chief Internal Auditors (DCIAs) and appropriate action taken in respect of any issues raised.
- 2.8 **Recommendation Follow-ups** – Audit recommendations are logged to monitor and ensure that management actions have been effectively implemented or that senior management have accepted the risk of not taking action.
- 2.9 **Performance Framework** – In line with the Corporate Performance Framework, all members of the Internal Audit Team are set objectives annually which are recorded and monitored through the year. Mid-year and annual performance reviews are carried out including review against objectives and determination of performance indicator.
- 2.10 **Training** – Training needs are identified through one-to-one meetings, monitoring of objectives and audit supervision. Formal records of training are held on each individual auditor's Skillgate account. The CIA, DCIAs and Audit Managers are required to retain membership of their professional institute and undertake relevant CPD. All Auditors maintain a record of their continual professional development in line with their professional body.

PERFORMANCE MEASUREMENT

- 2.11 Internal Audit's performance against its objectives will be managed by setting and monitoring performance measures as set out in Table 1. Where performance measures are not being met, an action plan will be put in place to address these concerns.

3. Periodic Self-Assessments

- 3.1 Periodic self-assessments are designed to assess conformance with the Global Internal Audit Standards and progress towards performance measures.
- 3.2 Periodic assessments will be conducted through:
- Completion of an annual checklist by DCIA to determine Internal Audit's conformance with the Global Internal Audit Standards.
 - A detailed review of individual Global Internal Audit Standards carried out by a member of the Internal Audit Team on rolling basis, aiming to cover all standards within a five-year period.

- Results from the checklist and reviews above are reported in the CIAs Annual Report & Opinion to the Audit and Governance Committee.

3.3 The level of conformance of the internal audit activity with the Global Internal Audit Standards is measured using Generally Conforms / Partially Conforms / Does Not Conform assessment criteria. The CIA will determine if Internal Audit overall conforms to the Global Internal Audit Standards by using a **recognised professional** self-assessment tool.

4. External Quality Assessments

- 4.1 BCP Internal Audit will ensure that an external quality assessment is undertaken every five years by a suitably qualified (CMIIA, CCAB or equivalent), experienced (including Sector experience) and independent assessor. The scope, timing and suitability of the assessor for the external review will be approved by the Audit and Governance Committee.
- 4.2 For clarity, the independent assessor must ensure compliance with the Global Internal Audit Standards and the CIPFA Application Note for the Global Internal Audit Standards in the UK Public Sector.
- 4.3 The results of the assessment will be communicated to the Audit and Governance Committee. Any action plans required to address any issues raised from the external reviews will be reported and approved by the Audit and Governance Committee.

TABLE 1 – INTERNAL AUDIT PERFORMANCE MEASURES

Internal Audit Objective: To strengthen BCP Council’s ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.					
CSF1: Internal Audit is adequately resourced to allow the CIA to conclude on their Annual Opinion					
REF	PERFORMANCE TARGET	WHO DOES THE TARGET APPLY TO	REPORTED TO*	MONITORING PROCESS	MONITORING FREQUENCY
1A	To complete (Final Audit Reports) the final revised annual audit plan by 30 May (where fieldwork falls in March) or 30 June (where fieldwork falls after March) for agreed cross-year audit engagements.	Audit Managers (Related Directorates) and DCIAs overall.	A&G (Quarterly)** SOG (Quarterly) A&G - CIA Report (Annual)**	<ul style="list-style-type: none"> Management System Audit Monitoring Report – The AMS automatically updates the audit statuses. Monitored by the DCIAs and communicated to the CIA monthly through 2-2-1 meetings. Where targets are not met these will be reported to A&G. 	Ongoing Monthly
1B	All auditors to complete 100% of their allocated audits within the required timescales* (both within total days allocated and target key dates). *Or within agreed variation. The Audit Manager in conjunction with the DCIA must ensure that any variation in days allocated are reflected within the audit plan.	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA (at least Monthly)	<ul style="list-style-type: none"> Audit Management System Audit Monitoring Report – The AMS automatically updates the target dates, budgeted vs actual time spent and audit statuses. Individual engagement performance is reported to and considered by the CIA. Audit Manager or DCIA oversight during/end of audit engagements including through 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Weekly AM / Auditor contact, prior to this, timesheets must be up to date. At a minimum this means the prior week’s timesheet. 	Ongoing Ongoing Ongoing Annually Weekly
CSF2: Internal Audit provides an effective and efficient service					
2A	All auditors to complete their allocated audits and ad hoc support/advice to a professional standard (Compliance with GIAS, CIPFA, BCP Code of Conduct).	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA	<ul style="list-style-type: none"> Audit Manager or DCIA oversight during/end of audit engagements including 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Client feedback. Post-audit review meeting 	Ongoing Annually
2B	All auditors to ensure a provision of timely and professional ad hoc support and advice.	All Auditors (Auditors, Audit Managers & DCIAs)	DCIA / CIA	<ul style="list-style-type: none"> Professional standard of ad hoc support and advice reviewed at 1-2-1 meetings. Annual Performance conversation appraisals will review the year end position. Client feedback. 	Monthly Annually

2C	100% of customer satisfaction surveys received rate the service as good (score of 4) or above.	All Auditors (Auditors, Audit Managers & DCIAs)	A&G - CIA Report (Annual)** / SOG DCIA / CIA	<ul style="list-style-type: none"> Satisfaction Survey results are recorded on the Teams Dashboard. Individual engagement satisfaction surveys are reported to and considered by the DCIA / CIA. 	Ongoing Ongoing
2D	100% of High and Medium recommendations are followed up within timescales stated in the Audit Charter.	Audit Managers (Related Directorates) and DCIAs overall.	A&G (Quarterly)** / SOG DCIA / CIA (Monthly)	<ul style="list-style-type: none"> Audit Management System Recommendation tracker is updated where follow-ups have been carried out. Overdue recommendations are monitored via the Audit Management System Recommendation Reports and discussed with Audit Managers / DCIA at their 1-2-1. Quarterly review by DCIA of outstanding recommendations 	Monthly
2E	100% of High and Medium non-implemented recommendations comply with the Escalation Policy.	Audit Managers (Related Directorates) and DCIAs overall.	A&G - CIA Report (Annual)** / SOG DCIA / CIA (Monthly)	<ul style="list-style-type: none"> Recommendations followed up but not implemented are escalated in compliance with the Escalation Policy for non-implemented Internal Audit Recommendations. Monitored via Audit Management System Recommendation Tracker and discussed with Audit Managers / DCIA at their 1-2-1/2-2-1. 	Monthly
2F	Conduct annual internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note.	CIA and DCIA	A&G - CIA Report (Annual)** / SOG	<ul style="list-style-type: none"> Annual reporting to A&G Committee. 	Annually
2G	Ensure that external assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note are undertaken at least every five years.	CIA and DCIA	A&G (Five yearly)** / SOG	<ul style="list-style-type: none"> Five yearly reporting to A&G Committee. 	Five yearly
CSF3: Internal Audit staff are adequately skilled to provide a professional service					
3A	100% completion of Performance Reviews within the Internal Audit Team.	CIA and DCIA	DCIA / CIA (Annually)	<ul style="list-style-type: none"> All staff receive a performance review, using the corporate template, during which employee behaviours and achievement of previous year objectives are discussed. In addition, objectives for the year ahead are agreed. 	Annually
3B	100% Completion of Mandatory Training as required.	All Auditors (Auditors, Audit Managers, DCIAs & CIA)	DCIA / CIA	<ul style="list-style-type: none"> Records of mandatory training are logged centrally. Mandatory training is discussed and monitored at 1-2-1 meetings. 	Ongoing Monthly
3C	Completion of individual staff CPD requirements for Audit Managers, DCIA and CIA.	Audit Managers, DCIAs & CIA.	DCIA / CIA	<ul style="list-style-type: none"> Monthly one to one meetings are held to assess staff training which includes CPD monitoring for Audit Managers. 	Monthly

3D	Meeting the required competency level outlined in the Competency Framework or have an agreed action plan in place to meet the required competency level.	All Auditors (Auditors, Audit Managers, DCIAs & CIA)	DCIA / CIA	<ul style="list-style-type: none"> Annual assessment against the Competency Framework. 	Annually
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KEY:

* A&G – Audit and Governance Committee

SOG – Senior Officers Group

CIA – Chief Internal Auditor

DCIA – Deputy Chief Internal Auditor

** Note - all reporting to A&G goes via SOG



BCP COUNCIL ASSURANCE FRAMEWORK 2026



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Management				Internal Audit	External Assurance Providers	Member Oversight
Assurance Function	First Line Assurance	Second Line Assurance		Third Line Assurance	- External Audit - Reviews & Inspections - Regulatory Bodies - Benchmarking	- Audit & Governance Committee - Overview & Scrutiny Committees Cabinet/Council
		Corporate advice & compliance	Corporate Oversight			
Asset Management	Directors and managers	Finance, Estates & Benefits ; Housing & Communities; Customer & Property Operations	Corporate Property Group (CPG); Capital Investment Programme Board; Corporate Management Board (CMB)	Chief Internal Auditor annual conclusion on the Council's governance, risk management and control arrangements	External Audit (Grant Thornton - GT) * Social Housing Regulator Care Quality Commission	Cabinet/Council (acquisitions/disposals)
Business Continuity		Finance, Estates & Benefits	Resilience Governance Board; Resilience Forum; CMB		Outsourced Business Continuity, ICT inspections	Audit & Governance Committee (annual report)
Business Planning and Performance Management		Marketing, Comms & Policy	Various – including Corporate Strategy Delivery Board; Children's Services (SEND) Improvement Board; Planning Improvement Board; CMB; Children & Young People's Partnership Board; Performance and Quality Executive Board for ASC		Local Government and Social Care Ombudsman (complaints) Housing Ombudsman Service (complaints) Peer Review	Cabinet/Council (annual performance report)
Counter Fraud		Finance, Estates & Benefits	Statutory Officer Group (SOG)		National Fraud Initiative (NFI) annually	Audit & Governance Committee (annual report and quarterly updates)
Ethics		People & Culture . Finance, Estates & Benefits , Law & Governance and all other services	Statutory Officers Group Standards Committee; CMB (mandatory training/performance management)		Unions External Audit (GT) *	Standards Committee Audit & Governance Committee (Whistleblowing and Declaration of Interests reports)

Financial Management	Finance, Estates & Benefits	Corporate Management Board	Financial Conduct Authority Prudential Regulation Authority External Audit (GT) *	Cabinet/Council (Quarterly MTFP update and budget and financial outturn) Audit & Governance Committee (VFM, Treasury management quarter update)
Fire Safety	Customer & Property Operations	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG	Fire Safety Inspections Building Safety Regulator	Audit & Governance Committee (annual report)
Health & Safety (H&S)	Finance, Estates & Benefits	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG	H&S Executive (inc. unannounced inspections) Building Safety Regulator	Audit & Governance Committee (annual report)
Human Resources	People & Culture	Directors Strategy Group (DSG); CMB	Unions Teaching Regulation Agency Healthcare Professional Regulators Legal Services Regulators	Cabinet/Council as required, e.g. Pay & Reward, Performance Framework
ICT	IT & Programmes	IT & IS Infrastructure Board; Information Governance Board (IGB); CMB	Public Services Network (PSN) NCSC	Corporate Risk Management, Overview & Scrutiny, Cabinet/Council as appropriate
Information Governance	Law & Governance	Information Governance Board	Information Commissioner	Audit & Governance Committee (annual report)
Partnerships	Marketing, Comms & Policy	Various – including service/partnership specific boards e.g. BCP/BH Live Strategic Partnership Board; Children's and Young Peoples Partnership Board; CMB		Health & Wellbeing Board Lower Central Gardens Trust Board Russell Cotes Art Gallery and Museum Management Committee
Procurement	Finance, Estates & Benefits	Procurement & Contracts Board	Procurement Review Unit (PRU) part of the Cabinet Office (enhanced role following the Procurement Act 2023)	Audit & Governance Committee (ad hoc reports/deeper dives)
Project & Programme Management	IT & Programmes	Corporate Strategy Delivery Board; CMB; Infrastructure Board; Project specific boards		Project Committees /Boards as appropriate
Risk Management	Finance, Estates & Benefits	DSG; CMB	External Audit (GT) *	Audit & Governance Committee (quarterly update reports)

Safeguarding		Adult Social Care; Children's Services	Safeguarding Boards (Adults & Children's which include independent scrutineers); CMB		Care Quality Commission; Ofsted; Child Safeguarding Practice Review Panel Social Work England	Children's Services Overview & Scrutiny Committee Was the Improvement Board, going forward it will be the Children and Young Peoples Partnership Board Health & Adult Social Care Overview & Scrutiny Committee
Sustainable Environment		Marketing, Comms & Policy Environment	Overall arrangements currently in development; CMB		Environment Agency (EA) and Office for Environmental Protection (OEP)	Environment & Place Overview & Scrutiny Committee (Sustainability)

*It is not the External Auditor's (Grant Thornton) primary role to provide assurance on the adequacy of key assurance functions. Nevertheless, through their auditing of the statement of accounts and in providing their value for money opinion, a form of external assurance exists across a number of functions, most notably those marked with an asterisk.

Appendix J

Consultees

The following individuals/groups have been consulted during this year's evolution of this Charter:

Name
Internal Audit
Statutory Officers Group
Audit and Governance Committee

Equalities Impact Assessment

Assessment date	24/02/2026
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Document Control

Approval body	Audit and Governance Committee
Approval date	20/03/25
V1 – April 2025	New Charter created (please note any version changes in the future will be shown in red text)
V2 – April 2026	Minor amendments, updated Audit Strategy & Data Analytics Strategy. Medium priority recommendations to be reported to A&G after 1 year

2026/27 BCP Core Audit Plan																					
Audit	(Lead) Area	Wellbeing				Children's Services			Operations					Resources				2025/26 Total Days	2026/27 Total Days		
		Adult Social Care	Adult Social Care Commissioning	Housing & Public Protection	Public Health & Communities	Childrens Social Care	Commissioning, Resourcing and Quality	Education & Skills	Planning & Transport	Commercial Operations	Customer & Property Operations	Investment & Development	Environment	IT & Programmes	People & Culture	Finance	Law & Governance			Marketing, Comms & Policy	
Key Assurance Functions (core functions)	Asset Management (Estate Management)	Finance, Estates & Benefits																	15	10	15
	Asset Management (Facilities Management)	Customer & Property Ops									10									20	10
	Business Continuity	Finance, Estates & Benefits																	15	15	15
	Service Planning & Performance Management	Marketing, Comms & Policy																20		10	20
	Ethics (covered in other audits)	All directorates																		0	0
	Financial Management (covered in Corporate Financial Management KFS)	Finance, Estates & Benefits																		10	0
	Health & Safety	Finance, Estates & Benefits																	10	15	10
	Fire Safety	Customer & Property Ops										10								20	10
	Human Resources (covered in People & Culture audits)	People & Culture																		10	0
	ICT (covered in IT & Programmes audits)	IT & Programmes																		10	0
	Information Governance	Law & Governance																15		10	15
	Partnerships	Marketing, Comms & Policy																	10	10	10
	Procurement	Finance, Estates & Benefits																	15	15	15
	Project & Programme Management	IT & Programmes													10					10	10
	Risk Management	Finance, Estates & Benefits																	20	10	20
Safeguarding	Adult Social Care	20																	10	20	
Sustainable Environment	Marketing, Comms & Policy																	10	10	10	
Total		20	0	0	0	0	0	0	0	0	20	0	0	10	0	75	15	40	195	180	
Key Financial Systems	Council Tax	Finance, Estates & Benefits																	15	10	15
	NDR	Finance, Estates & Benefits																	15	10	15
	Housing Benefit & Council Tax Reduction Scheme	Finance, Estates & Benefits																	15	10	15
	Debtors	Finance, Estates & Benefits																	15	25	15
	Corporate Financial Management	Finance, Estates & Benefits																	25	25	25
	Adult Social Care System Payments	Adult Social Care	20																	20	20
	Children's Services System Payments	Childrens Services									20									0	20
	Creditors	Finance, Estates & Benefits																	15	5	15
	Payroll	People & Culture																20		35	20
	Treasury Management	Finance, Estates & Benefits																	10	15	10
	Housing Rents	Housing & Public Protection				10														5	10
Total		20	0	10	0	0	20	0	0	0	0	0	0	0	20	110	0	0	160	180	
High Level Risks	Corporate/Service Risk Register & other risks	-	55	25	60	30	45	45	25	35	35	35	35	35	55	30	10	20	10	610	585
	Key Assurance Functions (service compliance reviews)	-	10	10	20	10	10	10	10	10	10	10	10	10	10	10	5	5	5	250	170
	Total		65	35	80	40	55	55	35	45	45	45	45	45	65	40	20	25	15	860	755
Schools	Education & Skills								50										50	50	
Counter Fraud	Corporate Work (inc. NFI)	Finance, Estates & Benefits																	60	60	60
	Employee Declaration of Interests	All Services	1	2	2	1	2	2	2	2	2	1	1	1	1	1	1	1	2	25	25
	Business Rates	Finance, Estates & Benefits																	15	15	15
	Creditor Duplicate Payments	Finance, Estates & Benefits																	15	15	15
	Debt Collection Write Off	Finance, Estates & Benefits																	15	15	15
	Recourse to Public Funds/Crisis Resilience Fund	Adult Social Care	15																	15	15
	Moveable Assets (Environment)	Environment													20					25	20
Total		16	2	2	1	2	2	2	2	17	1	1	21	1	1	107	1	1	180	180	
Other	Planning, Advice, Follow Ups	-	20	20	15	10	15	15	15	10	20	20	15	20	25	10	25	10	5	270	270
Total	Total Days 2025/26		121	100	103	61	72	91	101	86	88	122	67	76	133	42	328	62	62	1715	
	Total Days 2026/27		141	57	107	51	72	92	102	57	82	86	61	86	101	71	337	51	61		1615
	Overall Total Days 2026/27		356				266			372					621						

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PROVISIONAL AUDITS FOR 2026/27

Unless otherwise stated, all audits are 'assurance'

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
HIGH LEVEL RISKS						
OPERATIONS						
COMMERCIAL OPERATIONS						
Health & Safety (Service KAF)	High	Compliance with corporate policies and procedures, plus service specific specialist legislation & regulations. Inherent high risk areas including beaches.	-	SRR347 – Water Safety Incidents	Our Environment & Place Our People & Communities	Q2/Q3
Flood & Coastal Erosion	High	Review of processes to manage flood & coastal erosion (corporate risk). High level review of 1) Flooding 2) Surface water flooding 3) Coastal erosion, plus deeper dive into cliff management.	2024/25 (part)	Various, including: CRR27 – Cliff Management SRR354 – Cliff Management SRR359 – Maintenance of Flood & Coastal Assets SRR336 – Environmental impact on coast SRR544 – Christchurch Town Flood Risk	Our Environment & Place	Q1
Leisure Centres Income	High	Review of Income Collection arrangements across Leisure Centres.	-	IA	Our Environment & Place Our People & Communities	Q4

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
ENVIRONMENT						
Health & Safety (Service KAF)	High	Review compliance with corporate policies and procedures, plus service specific specialist legislation & regulations. Inherent high risk areas including waste.	-	SRR312 – Waste sites	Our Environment & Place Our People & Communities	Q2/Q3
Strategic Waste	High	Review of compliance with code of practice for Litter and Refuse.	2021/22	SRR309 – Waste Disposal contract SRR303 – Street Cleansing Non-Compliance with Code of Practice	Our Environment & Place	Q4
Highway Delivery	High	Review of compliance with code of practice on highway asset maintenance, including temporary repairs and pot holes.	-	SRR287 – Highway Asset Funding Gap	Our Environment & Place	Q3/Q4
CUSTOMER & PROPERTY OPERATIONS						
Information Governance (Service KAF)	High	Review compliance with GDPR and corporate policies and procedures.	-	SRR327 – Information Governance	Our Environment & Place; Our People & Communities	Q1

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Bournemouth Building & Maintenance Limited (BBML)	High	Review governance and procurement arrangements for BBML.	2025/26	IA	Our Environment & Place	Q2/Q3
Awabbs Law (Damp and Mold)	High	Changes in legislation make this high risk area.	-	SRR394 (Housing & Public Protection) - Properties experience damp and condensation leading to mould leading to ill health and disrepair claims	Our Environment & Place	Q4
PLANNING & TRANSPORTATION						
Management of Transport Capital Investment Projects (PPM Service KAF)	High	Review of project & programme management arrangements, focusing on planning & approval of capital projects. Including costing/viability & application for funding. Areas include Highway, Active travel, Local travel, Bus, Local electricity infrastructure.	2022/23	SRR634 – Failure to deliver Capital Investment Programme on time and budget	Our Environment & Place	Q1
Planning Enforcement	High	Review of compliance with its statutory duty.	-	SRR629 – Failure to deliver statutory requirements	Our Environment & Place	Q4

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Procurement (Service KAF)	High	Review of compliance with corporate policies, procedures, including Financial Regulations	-	SRR634 – Failure to deliver Capital Investment Programme on time and budget	Our Environment & Place Our approach	Q2/Q3
INVESTMENT & DEVELOPMENT						
Contract Management of Projects & Programmes (PPM Service KAF)	High	Review of project & programme management arrangements, to include some of: Hillbourne, UKPSG, towns funding, Templeman House.	-	Various, including: SRR519 – Ecological status SRR521 – Development Viability SRR – Inability to deliver new scheme	Our Environment & Place Our approach	Q2/Q3
Housing Delivery	High	Review of arrangements to ensure the delivery of the CNHAS target.	2024/25 (part)	SRR528 – Achieve CNHAS target	Our Environment & Place Our People & Communities	Q1
CHILDREN'S SERVICES						
DIRECTORATE WIDE						
Financial & Budget Management (Service KAF)	High	Review of Financial and budgetary processes	2022/23	CRR23 – DSG Deficit CRR02 – Outcomes for children and young people SRR448 – Failure to operate within given budget	Our People & Communities Our approach	Q3

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Information Governance (Service KAF)	High	Review of Children’s Services Information Governance including FOI and SARs.	2022/23	SRR450 – Failure to meet Information Governance timescales SRR449 – Failure to ensure management of confidential/personal information	Our People & Communities Our approach	Q4
EDUCATION & SKILLS						
Wraparound Childcare	High	Review of the new wraparound care statutory duties from Sept 2026.	-	IARA	Our People & Communities	Q3
COMMISSIONING, RESOURCE & QUALITY						
Data Quality	High	Poor data quality undermines decision-making, statutory reporting, and public confidence.	-	SRR - implicit in various risks IARA	Our People & Communities Our approach	Q1

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Aspire Adoption Governance	High	Provide assurance that Aspire Adoption has effective governance, risk management and assurance arrangements to ensure statutory compliance, safeguard children, & manage risk across partner authorities.	-	IARA	Our People & Communities	Q3
Social Work Recruitment & Retention	High	Workforce instability directly impacts safeguarding, performance, and financial sustainability. Recruitment and retention of social workers. Use and governance of agency staff.	-	CRR02 – Outcomes for children and young people SRR443 – Sufficient qualified and permanent workforce SRR469 – Recruitment & retention of agency workers	Our People & Communities Our approach	Q2
CHILDREN'S SOCIAL CARE						
Children's Social Care – audit 1 (TBC)	High	Provide assurance that risk, governance and controls operating effectively in Children's Social Care	TBC	TBC	Our People & Communities	TBC
Children's Social Care – audit 2 (TBC)	High		TBC	TBC	Our People & Communities	TBC

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA	Link to Corporate Strategy	Provisional Timing
WELLBEING						
ADULT SOCIAL CARE						
Adult Social Care – audit 1 (TBC)	High	Provide assurance that risk, governance and controls operating effectively in ASC	TBC	TBC	Our People & Communities	TBC
Adult Social Care – audit 2 (TBC)	High		TBC	TBC	Our People & Communities	TBC
Adult Social Care – audit 3 (TBC)	High		TBC	TBC	Our People & Communities	TBC
COMMISSIONING						
269 <i>To be confirmed but likely to be either:</i> Tricuro or Supplier Assurance	High	Provide assurance that risk, governance and controls operating effectively in Commissioning	TBC	TBC	Our People & Communities	TBC
JOINT SOCIAL CARE & COMMISSIONING						
Safeguarding (KAF)	High	Vulnerable adults are not safeguarded appropriately	2021/22/23	SRR479 – Safeguarding people at risk and keeping clients safe	Our People & Communities	Q4
<i>Note – one out of three of these will be selected:</i>						
Financial & Budget Management (Service)	High	Provide assurance that key governance arrangements are in place	2022/23	SRR484 – Budget pressures	Our People & Communities; Our approach	Q2
Health & Safety and Fire Management (Service)			2023/24 (H&S only)	SRR487 – Health & Safety & Fire Safety arrangements	Our People & Communities; Our approach	
Information Governance (Service)			2021/22	SRR485 – Information governance and data protection	Our People & Communities; Our approach	
PUBLIC HEALTH & COMMUNITIES						

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Public Health Grant	High	Risk of public safety/health, risk of financial mismanagement due to error or potential fraud	2025/26	IA	Our People & Communities	Q4
Communities & Safety audit (<i>TBC - Safer Communities, Domestic Violence or Serious Violence Duty</i>)	High	Provide assurance on risks for high risk area in Communities & Safety team	-	CR24 – Fail to address concerns around community safety	Our People & Communities	Q3
Health & Safety & Fire Safety (Service KAF)	High	Focusing on community centre safety	2025/26 (overview)	SRR593 – Safety at Communities Centres SRR586 – Work needed at Community Centres	Our People & Communities; Our approach	Q1/Q2
HOUSING & PUBLIC PROTECTION						
CCTV	High	Review of issues regarding lack of CCTV replacement budget and impact on community safety. To ensure compliance with information governance.	-	SRR372 – Lack of CCTV replacement budget		Q1
Voids & Lettings	High	Review to ensure properties are not left vacant for long periods of times resulting in delays to tenants being housed.	-	IA	Our People & Communities	Q2

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Disabled Facilities Grant - Process	High	Review to ensure grant is spent in most effective way	- <i>Note – Grant audited annually</i>	IA	Our People & Communities	Q1
BCP Homes audit – TBC	High		-	TBC	Our People & Communities	Q3
Information Governance (Service KAF)	High	Breaches of Data Protection Legislation.	-	SRR365 – Breach of legislation for data sharing	Our People & Communities; Our approach	Q4
RESOURCES						
LAW & GOVERNANCE						
Elections & Electoral Services	High	Corporate Risk and on service risk register potential bad press from any issues resulting from running elections.	-	CRR08 – Fail to run a fair and open election/referendum SRR493 – Failure to run an election/referendum/ballot in accordance with the law	Our approach	Q3
Information Governance (Service KAF)	High	Security and integrity of key legal data.	-	SRR496 – Confidential/personal data SRR505 – Loss of data	Our approach	Q2
MARKETING, COMMS & POLICY						
Equalities & Diversity	High	First review for a few years, important area for the Council and its objectives.	-	SRR390 – Unequitable Delivery Services SRR507 – Equality & Diversity – organisation not compliant	Our People & Communities Our approach	Q1/Q2
PEOPLE & CULTURE						
Pensions and Estimates	High	Issues brought to the attention of Internal Audit have necessitated a review	-	IA	Our approach	Q1

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Employee Relations (inch KAF testing)	High	Key area for staff support, includes a number of functions to be risk assessed at the time of the audit	2023/24	CR15 – Talent attraction, retention & succession planning, staff wellbeing & support SRR583 – Contract data SRR253, 424, 425 – Pay & Reward / Equal pay risk	Our approach	Q1
Workforce Planning (inc KAF testing)	High	Key corporate and service risks requires this work to be included.	As part of KAF	CR15 – Talent attraction, retention & succession planning, staff wellbeing & support SRR497 – Recruitment & Retention	Our approach	Q2
FINANCE, ESTATES & BENEFITS						
Organisational Debt Review (Data Analytics – with Debt Write Off counter fraud)	High	Significant risk area which should not be overlooked. Council has significant debt figures which require review and understanding	2024/25 2025/26	SRR249 – Weakness in key financial systems SRR247 – Corporate Income	Our approach	Q1
Discretionary Housing Payments	High	No coverage for a number of years necessitated a review.	-	IA	Our People & Communities Our approach	Q1
IT & PROGRAMMES						

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Privileged Access Management	High	IT staff “superuser” accounts. Not an area Internal Audit has reviewed before, key security risks.	Part	CR04 & SRR288 – Loss/disruption from Cyber Attack SRR618 – Account Security SRR614 – WiFi Service Provision	Our approach	Q1
Service Desk	High	No previous coverage, IT is a key service and considering how IT issues are resolved for staff requires review.	-	IA	Our approach	Q1
Artificial Intelligence	High	Significant and developing risk area which requires further review	2024/25 (Partial)	CR26 & SRR294 – Generative Artificial Intelligence	Our approach	Q1/Q2
Disaster Recovery	High	IT service is fundamental to Council operations and ensuring how we maintain provision during disruption continues to be important	2023/24 (Partial)	CR04 – Loss/disruption from Cyber Attack SRR290 – Risks to datacentre SRR429 – IT/Telecom outage or disruption to energy supply	Our approach	Q1
Network Security (Cyber)	High	Key and significant risk area requiring regular review.	2023/24	CR04 & SRR288 – Loss/disruption from Cyber Attack	Our approach	Q3

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KEY ASSURANCE FUNCTIONS (CORE)

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Asset Management (Facilities Management) (Customer & Property) -	High	KAF – annual assurance review	2025/26 2024/25 2023/24	SRR323 – Failure to achieve an appropriate level of FM Compliance	Our approach	Q4
Asset Management (Estate Management) (Finance)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	Numerous SRR including: SRR256 – 263 – Lack of corporate asset management plan; legacy land registry issues; Land Terrier/Asset Register not up to date; Deeds not available; Assets not sold in timeframe; Recession/fall in property prices; Lack of co-ordination in how we manage assets; Failure to comply with Asset Investment Strategy SRR500 – Lack of accommodation in Civic Centre	Our approach	Q4
Business Continuity (Finance - core KAF) inc testing	High	KAF – annual assurance review	2025/26 2024/25 2023/24	SRR254 – Corporate Emergency Planning & Resilience BRR	Our approach	Q4
Service Planning & Performance (Marketing, Comms & Policy) inc testing	High	KAF – annual assurance review	2025/26 2024/25 2023/24	SRR563 – Corporate oversight of service plans	Our approach	Q3
Health & Safety (Finance)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	BRR	Our approach	Q4

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA	Link to Corporate Strategy	Provisional Timing
Fire Safety (Customer & Property)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	BRR	Our approach	Q4
Information Governance (Law & Gov.)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	BRR (<i>in development</i>)	Our approach	Q3
Procurement (Finance - core KAF)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	SRR555 -Procurement & Contract Management	Our approach	Q4
Project & Programme Management (IT & Programmes)	Medium	KAF – annual assurance review	2025/26 2024/25 2023/24	IA	Our approach	Q4
Risk Management (Finance - core KAF) - inc testing	High	KAF – annual assurance review	2025/26 2024/25 2023/24	IA	Our approach	Q2
Safeguarding (ASC)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	IA	Our People & Communities Our approach	Q3/Q4
Sustainable Environment (Marketing, Comms & Policy)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	CR20 – Potential of climate change to outstrip our capability to adapt	Our Environment & Place Our approach	Q3/Q4
Partnerships (Marketing, Comms & Policy)	High	KAF – annual assurance review	2025/26 2024/25 2023/24	CR16 – Fail to secure or manage partnerships	Our approach	Q3/Q4
KEY FINANCIAL SYSTEMS						

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APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Council Tax (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems SRR264 – Implementation of single new system	Our approach	Q2/Q3
NDR (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems SRR264 – Implementation of single new system	Our approach	Q2/Q3
Housing Benefit & Council Tax Reduction Scheme (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems SRR264 – Implementation of single new system	Our approach	Q2/Q3
Debtors (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems SRR247 – Corporate Income	Our approach	Q4
Corporate Financial Management (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	CR09 – Safe & balanced budget SRR249 – Weakness in key financial systems	Our approach	Q1/Q2
Adults System Payments	High	KFS – annual assurance review (new)	-	IA	Our approach Our People & Communities	Q2
Children’s System Payments	High	KFS – annual assurance review (new)	-	IA	Our approach Our People & Communities	Q2
Creditors (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems	Our approach	Q3/Q4

APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: <ul style="list-style-type: none"> • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA 	Link to Corporate Strategy	Provisional Timing
Payroll (People & Culture) (same time as payroll data analytics)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems	Our approach	Q2
Treasury Management (Finance)	High	KFS – annual assurance review	2025/26 2024/25 2023/24	SRR249 – Weakness in key financial systems	Our approach	Q2
Housing Rents (Housing & Communities)	High	KFS – annual assurance review. To include RSH Rent Standards 2026.	2025/26 2024/25 2023/24	IA	Our approach Our People & Communities	Q2
COUNTER FRAUD						
Employee Declaration of Interests	Medium	As per risk	2020/21	FRR P5 – Employee Declarations of Interests	Our approach	Q1-Q4
Business Rates (same time as NDR KFS)	Medium	As per risk	2019/20	FRR F15 – Business Rates – Incorrect declaration of circumstance leading to incorrect rates changes	Our approach	Q2/Q3
Creditor Duplicate Payments (including supplier data review)	High	As per risk	2021/22	FRR F18 - Creditor Duplicate Payment – to incorrect supplier	Our approach	Q3/Q4
Debt Collection Write Off (same time as Organisational Debt Review)	Medium	As per risk	-	FRR F28 – Debt Collection Write Off – Debts written off/reduced incorrectly	Our approach	Q1/Q2
Recourse to Public Funds / Crisis Resilience Fund	Medium	As per risk	2020/21	FRR F32/F33 – Falsely claiming entitlement to crises payments and gaining access to funds not entitled to	Our approach	Q1/Q2

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APPENDIX C

Audit	IA Risk Score	Reason for Inclusion	Date last audited	Link to Risk Registers: • Corporate - CRR • Service - SRR • Fraud - FRR • Board - BRR • Internal Audit - IA	Link to Corporate Strategy	Provisional Timing
Moveable Assets (Commercial Operations)	Medium	As per risk	-	FRR F20 – Assets stolen/used for personal use	Our approach	Q3/Q4
Moveable Assets (Environment)	Medium	As pr risk	-	FRR F20 – Assets stolen/used for personal use	Our approach	Q1/Q2
SCHOOLS						
Mundeford Community Infants School	Medium	Poor financial management / governance resulting in poor education, budget deficits, misuse of public funds, and reputational damage	2023/24	IA	Our People & Communities	Q1
Mundeford Junior School	Medium		2023/24	IA	Our People & Communities	Q3
St Katharine’s CofE	High		2023/24	IA	Our People & Communities	Q3
Linwood	High	Non-compliance to DfE statutory requirements. Financial risk to the Council regarding deficit balances	2023/24	IA	Our People & Communities	Q3

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Key: KAF – Key Assurance Function, KFS – Key Financial System

Coverage of Corporate Risks by the Proposed 2026/27 Internal Audit Plan

CRR Ref	Corporate Risk	Score	Proposed Internal Audit coverage 2026/27
<i>As per Corporate Risk Register Feb 26</i>			
CR27	We may fail to adequately address concerns around environmental impacts - cliff management/instability	16	Flood & Coastal Erosion
CR23	Potential implications of the Dedicated Schools Grant financial deficit	16	Children's Financial & Budget Management
CR09	We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	12	Corporate Financial Management
CR15	We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	12	Employee Relations Workforce Planning
CR04	We may suffer a loss or disruption to IT Systems and Networks from cyber attack	12	Privileged Access Management Disaster Recovery Network Security
CR20	Potential of climate change to outstrip our capability to adapt	12	Sustainable Environment
CR26	Risks associated with the availability of Generative Artificial Intelligence (GenAI)	9	Artificial Intelligence
CR18	We may fail to provide adequate customer interfaces	9	Not included this year. Previous audit coverage in 2023/24 To be considered 2027/28
CR02	We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	8	Various Children's audits including: Financial & Budget Management Social Work Recruitment & Retention
CR08	We may fail to run a fair and open election/referendum	8	Elections & Electoral Services
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	6	Not included this year. To be considered in 2027/28.
CR28	We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	6	Not included this year. To be considered 2027/28.
CR25	We may be unable to effectively transform services to achieve efficiencies and improve service standards	4	Not included this year. To be considered in future years.
CR16	Partnerships may not support delivery of the corporate strategy, objectives or priorities	4	Partnerships
CR24	We may fail to adequately address concerns around community safety	2	Communities & Safety audit (TBC - Safer Communities, Domestic Violence or Serious Violence Duty)

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INTERNAL AUDIT
ANTI-FRAUD & CORRUPTION AUDIT PLAN
2026/27

Author: Simon Milne, Audit Manager Deputy CIA
Version: March 2026 v1
Review Date: Annual, next due March 2027

Background

The Council's overall arrangements for preventing, detecting and investigating fraud and corruption are regularly reviewed and assessed by Internal Audit. The Council's approach for countering fraud and corruption is set out in the Anti-Fraud and Corruption Policy which also highlights relevant legislation, details roles and responsibilities of officers & councillors and also provides detailed guidance for officers and managers.

In addition the following relevant key policies are in place within the Council: Whistle-Blowing Policy; Declarations of Interests, Gifts and Hospitality Policy; Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy; Financial Regulations; Employee/Member Codes of Conduct.

Introduction

Managing the risk of fraud and corruption is the responsibility of management. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected. Nevertheless, Internal Audit has a key role to play in the prevention, detection, and investigation of fraud and corruption.

Internal Audit maintains the Council's Corporate Fraud Risk Register and ensures any high scoring risks are considered for inclusion in individual service risk registers.

The Corporate Fraud Risk Register is used to identify key Council fraud and corruption risks and to allow Internal Audit to allocate its resource and regularly review these key risks as part of the annual audit plan.

This Anti-Fraud and Corruption Audit Plan provides the allocation of Internal Audit resource for tackling fraud and corruption against the Council. It covers the activities of the Council that are considered to be the most likely to be subjected to fraud in some form, either from within the organisation or from external sources.

2026/27 Annual Fraud Risk Assessment

The audit of fraud and corruption is an important feature of the Audit Plan and comprises of three main elements:

- An assessment of all or part of the Council's overall arrangements for preventing and detecting fraud and corruption;
- Ensuring counter-fraud and corruption work is incorporated within planned audits across directorates (e.g. payroll, creditors);
- Reviewing and testing specific risk areas that are not covered by planned audits.

Time has been allocated in the 2026-27 Audit Plan to carry out pro-active prevention and detection work on fraud and corruption, including the specific risk areas not covered by planned audits. This time also includes work on the co-ordination of the National Fraud Initiative (NFI) data matching exercise.

The 2026-27 Audit Plan has also allocated days to undertake investigative work to be carried out if fraud or corruption is suspected or detected.

Corporate Fraud Work

Fraud checks on Council housing services (right to buy) will be carried out by the Corporate Fraud Specialist within Internal Audit, as well as providing specialist support for Blue Badge and housing tenancy fraud.

ANTI-FRAUD AND CORRUPTION WORK PLAN 2026/27				
REF	PLANNED ACTIVITY	Core Audit DAYS	Investigation DAYS	Corporate Fraud DAYS
	STRATEGIC			
1.1	Review of Best Practice – against CIPFA & other guidance	1		3
1.2	Corporate Fraud Risk Assessment – review and update	2		
1.3	Counter Fraud Case Management System – review system	5		
	CULTURE & DETERRENCE			
2.1	Issue fraud alerts - review types of frauds occurring & inform officers\managers	3		
2.2	E-learning - review completion of fraud awareness e-learning module	1		
2.3	Counter Fraud Policies - annual review	2		
2.4	Staff Declarations of Interests, Gifts & Hospitality – review system	5		
2.5	Staff Training – carry out targeted fraud awareness training	2		5
	PREVENTION & DETECTION			
4.1	Proactive analytical fraud detective work			
4.2	Business Rates (Finance, Estates & Benefits)	15		
4.3	Creditor Duplicate Payments (Finance, Estates & Benefits)	15		
4.4	Debt Collection Write Off (Finance, Estates & Benefits)	15		
4.5	Local Welfare Assistance Fund (Crisis Payments) and Recourse to Public Funds (Adult Social Care)	15		
4.6	Employee Declaration of Interests (all services)	25		
4.7	Moveable Assets (Environment)	20		
4.8	Moveable Assets (Commercial Operations)	15		
4.9	Data-matching and investigation (including NFI)	35		20
4.10	Corporate Fraud Work - Housing Allocation\Tenancy\Right to Buy\ Blue Badges. (includes pro-active work)			35
	INVESTIGATION			
5.1	Counter Fraud Work - responding to suspected irregularities		105	30
	SANCTION/REDRESS			
6.1	Regular review of internal audit investigation log to confirm that sanctions applied are consistent and in accordance with policy	1		
6.2	Prosecution\Penalties for external fraud e.g. Housing Tenancy			2
	DEFINING SUCCESS			
7.1	2027-28 Counter Fraud Plan – prepare and complete	2		
7.2	Annual Report to Audit & Governance Committee – production	1		
	TOTAL ALLOCATED DAYS 2026/27	180	105	95
	GRAND TOTAL ANTI-FRAUD & CORRUPTION DAYS		380	

KEY FRAUD RISK AREAS (FROM CORPORATE FRAUD RISK REGISTER)

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 26/27
Cybercrime Illegal activities conducted using computers or networks, encompassing hacking, fraud, identity theft, and other malicious actions online	12	- BCP cyber security audit review 2021/22 - Network security audit review 2023/24 - 3 rd Party access audit review 2024/25	Planned separate cyber security audit for 2026/27
Mandate Fraud Fraudulent attempt to change bank account details for a supplier	9	- Annual Creditors audits - Bank mandate specific audit review 2024/25	-
Contract Fraud Unfair award of contract to a supplier / incorrect payment made to suppliers	9	- BCP contract award audit review 2023/24 & 2024/25 - BCP contract payments audit review 2025/26	-
Council Tax Discount Fraud Council Tax Discount claimed despite not being eligible thus undermining Council Tax income and budget situation	9	- Annual Council Tax audits - NFI Council Tax Single Persons Discount annual review	-
Financial Assessments Financial circumstances are not accurately disclosed, resulting in incorrect contribution calculation	6	- BCP Audit Review 2025/26	Corporate Fraud work on fraud referrals
Residential Care / Homecare Payments Residential care payments made when either the client does not exist, or no notification was made of deceased resident	6	- Annual Key Financial System reviews - Reviewed payments to residential and homecare clients 2024/25	-
Direct Payments (Adult & Children) Direct payments are not spent as per care plan activities	6	- Adults audit review 2025/26 - Children's audit review 2024/25	-
Housing Tenancy Incorrect declaration of circumstances leading to Council property being obtained / Council property is illegally sub-let / Council property is not lived in by tenant	6	- BCP audit review 2023/24	Corporate Fraud support work NFI data matching work
Income Money due to the Council is intercepted	6	- 2024/25 BCP cash income checks carried out - 2025/26 seafront arcade cash income check carried out	-
Planning Applications Incorrect information given in order to wrongfully obtain planning permission	6	- BCP audit review 2024/25	-
Recruitment Individual wrongfully obtaining employment using false information	6	- BCP audit review 2024/25	-
Treasury Management Payments Fraudulent bank transfer payments made disguised as genuine treasury management transactions	6	- BCP audit review 2023/24	-

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 26/27
Council Tax Reduction Scheme (CTRS) Submitting false information in order to wrongfully gain CTRS	6	- Annual Housing Benefit audit - NOTE BCP Revs responsibility	-
Business Rates Incorrect declaration of circumstances leading to incorrect rates being charged	6	- Annual NDR Key Financial System audits - Small Business Relief data matching work 2019/20 - NOTE BCP Revs responsibility	Review arrangements in place to prevent/detect/investigate business rate fraud
Blue Badge Use of a counterfeit/ stolen / deceased / fraudulently obtained Blue Badge	6	- BCP audit review 2025/26	Corporate Fraud support work
Serious and Organised Crime Council fails to prevent serious and organised crime	6	- BCP audit review 2021/22	-
Housing Right to Buy Obtaining discount and property by providing false records of circumstances	4	- BCP audit review 2025/26	Corporate Fraud work on applications
Creditor Payments Creditor payments made to incorrect supplier	4	- Annual Creditors audits - 21/22 duplicate payments review carried out - NFI biennial exercise (last Jan 2025)	Review controls to prevent duplicate payments and carry out data matching to detect potential duplicates
Schools Creditor payments, expense payments, funding payments and payroll	4	- Ongoing school audits	-
Theft of Assets Assets and / or data stolen / used for personal use	4	- Asset Management Key Assurance Function service reviews - Moveable asset corporate review 2025/26	Review of arrangements in place in high risk service areas of Environment and Commercial Operations
Procurement Cards Fraudulent use of procurement card such as personal use	4	- BCP audit review 2024/25 - Continuous audit work during 2025/26	-
Grant Award False payment of grants to private individuals, companies, charities / mis use of grant funding	4	- Includes COVID grant awards – Internal Audit assurance work carried out 2020/21/22 - BCP Grant Award audit review 2022/23	-
Employee False Claims Inappropriate employee claims for expenses and / or time	4	- BCP Counter Fraud Review 2020/21 & 2023/24 (expenses only) - Payroll Key Financial System audits - Continuous audit work during 2025/26	-
False Applications/Identity Fraud Somebody uses someone else's identification / personal data to gain services / funds to which they would not otherwise be entitled	4	- BCP audit review 2022/23	-
Debt Collection Debts written off / reduced incorrectly (intentional)	4	- Annual Debtors audit	Review of arrangements in place to prevent inappropriate write off of debt

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 26/27
Crisis Resilience Fund Falsely claiming entitlement to crisis payment financial assistance	4	- BCP audit review 2020/21	Review of arrangements in place to ensure funds are only provided to eligible applicants
Licences Obtaining licence through provision of false information	2	- Covered with Identity Fraud audit review 2022/23	-
Concessionary Travel Gaining access to Concessionary travel using false or omitted information / fraudulent use of permit	2	- BCP audit review 2025/26 - NFI biennial match to deceased process	Corporate Fraud support work
False Insurance Claims Fraudulent insurance claim paid by the Council	2	- BCP Insurance audit review 2020/21	-
Payroll Fraud Payments made when the employee does not exist	2	- Annual payroll audits	-
Schools Allocations Submission of false information to gain a place at a preferred school	2	- School Admission arrangements reviewed 2023/24	-
Recourse to Public Funds Persons gaining access to services/funds to which they are not entitled through false or omitted information	2	- BCP audit review 2020/21	Review of arrangements in place to ensure funds are only provided to eligible applicants (at same time as Crisis Payments)
Sham Marriages Council allows a marriage to proceed without carrying out adequate checks	2	- BCP audit review 2021/22	-
Policy Compliance			
Criminal Finances Act	4	- BCP audit review 2022/23	-
Anti-Money Laundering	4	- BCP audit review 2022/23	-
Anti-Bribery & Corruption	4	- BCP audit review 2023/24	-
Regulation of Investigatory Powers Act and Investigatory Powers Act	4	- BCP audit review 2023/24	-
Employee Declaration of Interests	4	- BCP audit review 2020/21 - Annual review of senior officer form completion	Review of compliance with corporate policy across BCP Council
Councillor Declaration of Interests	4	- BCP audit review 2022/23	-

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit - Quarterly Audit Plan Update
Meeting date	19 March 2026
Status	Public Report
Executive summary	<p>This report details progress made on delivery of the 2025/26 Audit Plan for the first two months of the 4th quarter (January and February 2026). Due to Committee cycle, the update for March will be included in the 2026/27 Quarter 1 report. This report highlights that:</p> <ul style="list-style-type: none"> • 17 audit assignments have been finalised, including one 'Partial' audit opinions; • 25 audit assignments are in progress, including 6 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; • Five high priority recommendations have not been fully implemented by the original target date or agreed revised date. Explanation has been received from the relevant Directors as to why these have not been completed.
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</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	Aidan Dunn, 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 January to February 2026 inclusive ("Quarter 4") and reports the audit opinion of the assignments completed during this period. Due to the timing of the Committee cycle, the progress for March will be included in the 2026/27 Quarter 1 update report.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management as at 28 February 2026.

Delivery of Internal Audit Plan –Quarter 4 2025/26

3. 17 audit assignments have been **finalised** as outlined below (including 1 combined reports):

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
1	Customer & Property	<p>Business Continuity (Service KAF)</p> <ul style="list-style-type: none"> ➤ Review of arrangements for compliance with corporate policies and procedures including adequacy of Service Directorate business resilience plan 	Reasonable	0	1	1
2	Education & Skills	<p>Children’s Capital Programme</p> <ul style="list-style-type: none"> ➤ Governance Arrangements <ul style="list-style-type: none"> ○ Capital Project Strategy/Plan/Framework to ensure projects support statutory duties and Councils priorities ○ Capital programme approval process and reporting mechanisms ○ Roles, responsibilities and oversight for capital programme delivery ○ Risk management process ○ School Condition Allocations ➤ Financial Management <ul style="list-style-type: none"> ○ Process for monitoring and reporting capital project budgets ○ Processes in place for budget variation and changes ○ Expenditure in line with Financial Regulations ○ Funding sources and allocations and compliance with grant conditions ➤ Contract Management - Contracts in place to delivery projects are monitored in line with performance clauses, payment milestones, KPI's and deliverables ➤ Project Management - sample Capital Projects to ensure that they have followed good project management practices, the plan/strategy and financial regulations guidance 	Reasonable	0	0	1
3	IT & Programmes	<p>Citizen Development (Application Development)</p> <ul style="list-style-type: none"> ➤ Policy & Strategy <ul style="list-style-type: none"> ○ Aims/objectives for citizen development ○ At a high level what is and isn't allowed in terms of citizen development ○ Approvals and oversight required ○ Licensing/budgeting expectations ○ Ownership/Intellectual Property of systems developed ○ Data Protection/security expectations ○ Approach taken is informed by any good practice promoted by platform vendor ➤ Supporting Mechanisms <ul style="list-style-type: none"> ○ Development standards 	Reasonable	0	8	5

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		<ul style="list-style-type: none"> ○ Documentation standards ○ Testing standards ○ Security/access control standards ○ Structured/managed environments (development, test, live) ○ Backup and continuity arrangements ○ Provision of support and training ○ Industry/sector forums are engaged with, both to share good practice and replicate good practice from elsewhere at BCP, where appropriate ➤ Framework <ul style="list-style-type: none"> ○ A register of all citizen developments, with appropriate meta data ○ A team to support citizen development, with appropriate skills ○ An oversight forum, to maintain visibility of development and live systems (terms of reference, membership, reporting etc.) 				
4	Finance, Estates and Benefits	<p>Council Tax and Non-Domestic Rates (KFS) combined report</p> <ul style="list-style-type: none"> ➤ Key Controls - review of key controls covering valuation reports, billing runs, reconciliations and suspense accounts ➤ Customer Satisfaction - review of customer satisfaction and service complaints to influence service delivery ➤ Performance Metrics - review of currently used performance metrics and reporting arrangements ➤ Understanding of any planned changes to capture performance metrics following the introduction of a combined system ➤ Previous Recommendations - review of action taken on previous recommendations 	Reasonable	0	3	1
5	Schools	<p>Highcliffe St Mark Primary School</p> <ul style="list-style-type: none"> ➤ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance 	Reasonable	0	10	7
6	Environment	<p>Passenger Transport Operations (Service Procurement KAF)</p> <ul style="list-style-type: none"> ➤ Passenger transport is provided for people who do not require it <ul style="list-style-type: none"> ○ Service users referred to passenger transport are not provided with suitable passenger transport ○ Passenger transport is provided for those who do not require it ➤ The Council is paying more for passenger transport than required <ul style="list-style-type: none"> ○ Contracts are not being tendered for in line with Financial Regulations 	Partial	1	6	3

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		<ul style="list-style-type: none"> ○ The Council is underutilising resources available to it ○ The Council is not monitoring spend against budgets 				
7	Law & Governance	<p>Risk Management (Service KAF)</p> <ul style="list-style-type: none"> ➤ Governance <ul style="list-style-type: none"> ○ Review of oversight and reporting of Risk Register ○ Review of roles and responsibilities and to ensure a risk champion is in place ○ Review of compliance with corporate risk management policy ➤ Risk Identification - Ensure risk identification process is in place ➤ Risk Register <ul style="list-style-type: none"> ○ Review of Risk register to ensure it meets corporate guidance and is regularly reviewed and updated ○ Ensure management of risks for programme and projects follow the corporate risk management policy ➤ Decision Making - Ensure risk management is integrated into all relevant management and decisions making processes ➤ Risk Awareness and Training <ul style="list-style-type: none"> ○ Review of risk awareness with managers and staff. ○ Ensure risk management training has been undertaken, where appropriate. 	Reasonable	0	3	0
8	Schools	<p>The Priory CE VA Primary School</p> <ul style="list-style-type: none"> ➤ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance 	Reasonable	0	6	4
9	Finance, Estates and Benefits	<p>Treasury Management (KFS)</p> <ul style="list-style-type: none"> ➤ Policies - Treasury procedures in place and adequately describe key treasury functions and who are responsible for these ➤ Governance Arrangements - Governance arrangements in place including review of the quarterly, mid-year and annual treasury reports ➤ Investments <ul style="list-style-type: none"> ○ Confirmation that investments have been completed in line with approved strategy ○ Separation of duties in place and effective ○ Regular reconciliations are carried out ➤ Third party advisors - Governance/ oversight arrangements in place with third party advisors 	Reasonable	0	0	2

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		<ul style="list-style-type: none"> ➤ Follow up previous recommendation 				
10	Education & Skills	<p>Adult Learning</p> <ul style="list-style-type: none"> ➤ Governance – adequacy/compliance with organisational policies, procedures, risk management, oversight and grant requirements ➤ Grant Controls <ul style="list-style-type: none"> ○ Controls over grant utilisation, including eligibility verification and compliance with funding conditions ○ Processes for tutor verification (professional qualifications or occupational competence) and confirm that these align with grant requirements ○ Sample learners to confirm that eligibility requirements are met and documentation is retained as required ➤ Income & Expenditure <ul style="list-style-type: none"> ○ Financial management practices for income streams (e.g. part/self-funded) ○ Expenditure controls for grants such as payroll for tutors and operational costs ○ Funds allocated and recorded accurately, review expense authorisation and monitoring processes 	Reasonable	0	0	1
11	Customer & Property	<p>Blue Badges (Counter Fraud)</p> <ul style="list-style-type: none"> ➤ Assessment Process - ensure the assessment process is robust, complies with government guidance and ensures efficient processing of applications resulting in only those eligible being awarded Blue Badges ➤ Renewal Process - confirm that an effective renewal process is in place to ensure minimal delay for the customer, whilst meeting eligibility requirements ➤ Returns of blue badges - confirm the process in place for prompt notification of deceased holders return of blue badges. ➤ Parking Enforcement Action - ensure appropriate action is taken by parking wardens regarding suspicious use of blue badges and escalation to the Blue badge team. 	Reasonable	0	1	2
12	Commercial Operations	<p>Business Continuity (Service KAF)</p> <ul style="list-style-type: none"> ➤ Review of arrangements for compliance with corporate policies and procedures including adequacy of Service Directorate business resilience plan 	Reasonable	0	0	2
13	Investment & Development	<p>Procurement (Service KAF)</p> <ul style="list-style-type: none"> ➤ Review of arrangements for compliance with corporate policies, procedures and systems, including Financial Regulations Breaches. 	Reasonable	0	5	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
14	IT & Programmes	<p>Project & Programme Management (Core KAF)</p> <ul style="list-style-type: none"> ➤ Strategy – Review adequacy of Programme & Project Management strategy ➤ Policy Framework - Review adequacy of Programme & Project Management policy framework, including: <ul style="list-style-type: none"> ○ Availability of standardised documentation ○ Prioritisation & approval criteria for programmes & projects ○ Availability of agreed methodology for programme & project management ➤ Oversight & Accountability - Review corporate governance over programmes & projects, including: <ul style="list-style-type: none"> ○ Roles & responsibilities ○ Approval & monitoring via boards or equivalent ○ Centralised record of all programmes & projects ○ Post programme / project reviews and lessons learned ○ Monitoring of partnership working ➤ Risk Management - Review of corporate risks relating to programmes & projects ➤ Delivery of Operational Activities & Responsibilities - Ascertain & review operational activities & responsibilities of Programme & Project Management team ➤ Follow up of previous recommendation 	Reasonable	0	7	1
15	Marketing, Comms & Policy	<p>Service Planning & Performance – position statement</p> <ul style="list-style-type: none"> ➤ A position statement on Service Planning & Performance has been produced rather than an audit undertaken. This because discussions are underway at Corporate Management Board to amend the governance arrangements in relation to service planning. <p>An audit of Service Planning & Performance will be undertaken during 2026/27 to review the revised governance arrangements.</p> <p>* Note – 2 medium priority recommendations are outstanding from the previous audit</p>	Position statement	-	- *	-
16	Finance, Estates & Benefits	<p>Creditors</p> <ul style="list-style-type: none"> ➤ Changes in Key Controls, System and Processes ➤ Performance Metrics ➤ Previous Recommendations <p>* Note – 2 medium priority recommendations are outstanding from the previous audit</p>	Reasonable	0	0 *	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
17	Marketing, Comms & Policy	<p>Partnerships (Core KAF)</p> <p>➤ A position statement on Partnerships has been produced rather than an audit undertaken. This because, in response to the previous audit recommendation (still outstanding) and the Corporate Risk regarding partnerships, a strategic partnerships update was taken to Corporate Strategy Delivery Board in February 2026. As a result of this, changes to governance of strategic partnerships as agreed.</p> <p>An audit of Partnerships will be undertaken during 2026/27 to review the revised governance arrangements.</p> <p>* Note – 1 medium priority recommendation is outstanding from the previous audit</p>	Position statement	-	- *	-
Total Recommendations				1	50	31

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 was one 'Partial' assurance audit report issued during the quarter as follows:

Environment – Passenger Transport – one high, six medium and three low priority recommendations were made to address the following issues:

High Priority	
Expenditure & Monitoring	Personal Travel Budgets (PTB) agreements do not state that they are to be used for transportation to school use only and checks on the use of PTB are not carried out including verification of the young person's attendance at school
Medium Priority	
Expenditure & Monitoring	Contracts for some temporary/emergency ad-hoc taxi journeys are awarded without an end date and had not been reviewed. Fuel, Wear & Tear payments are made without attendance verification. The Council fleet cannot provide transport for all Adult Social Care routes. There are no performance indicators in place.
Transport Provision	There are no documented processes and procedures. Data in the MTC Transport Planning System is inaccurate.
Low Priority	
Expenditure & Monitoring	Expenditure has been miscoded.
Transport Provision	Evidence of applications, approval of transport requests and route tendering could not be found in all cases. Best practice may not be being shared between functions within the service area.

5. There were no 'Minimal' assurance audit reports issued during the quarter.

6. There were no "Risks Accepted" formally accepted during the quarter.

7. The status of **audits in progress** at the end of the quarter are outlined below:

	Service Area	Audit	Progress
1	Adult Social Care	Extra Care Housing	Draft
2	Adult Social Care	Safeguarding (Core KAF)	Draft
3	Children's Social Care	Pathway Plans	Draft
4	Housing & Public Protection	Right to Buy	Draft
5	Public Health & Communities	Public Health Grant	Draft
6	Housing & Public Protection	Procurement & Contract Management (Service KAF)	Draft
7	Adult Social Care	Community Mental Health	Fieldwork
8	Adult Social Care	Better Care Fund	Fieldwork

9	Customer & Property	Fire Safety - Corporate Buildings (Core KAF)	Fieldwork
10	Finance, Estates and Benefits	Health & Safety (Core KAF)	Fieldwork
11	Finance, Estates and Benefits	Debt Data Analysis	Fieldwork
12	Finance, Estates and Benefits	Debtors (KFS)	Fieldwork
13	Public Health & Communities	Public Health (Key Assurance Review)	Fieldwork
14	Quality, Improvement, Governance & Commissioning	Safeguarding - BCP Safeguarding Partnership	Fieldwork
15	Schools	Burton CE Primary School	Fieldwork
16	Commercial Operations	Asset Management – Facilities Management - BCP Leisure Health & Safety Compliance (Core KAF)	Fieldwork
17	Finance, Estates and Benefits	Business Continuity (Core KAF)	Fieldwork
18	Planning & Transport	Strategic CIL Governance & S106 Operational Arrangements	Fieldwork
19	Adult Social Care	Care Technology	Scoping
20	Finance, Estates and Benefits	Procurement (Core KAF)	Scoping
21	Finance, Estates and Benefits	Asset Management (Estates Management) (Core KAF)	Scoping
22	Finance, Estates and Benefits	Risk Management (Core KAF)	Scoping
23	Law & Governance	Information Governance (Core KAF)	Scoping
24	People & Culture	HR (Core KAF)	Scoping
25	Wellbeing Directorate Wide	Human Resources (Service KAF)	Scoping
26	Marketing, Comms & Policy	Sustainable Environment (Core)	To commence
27	Housing & Public Protection	Temporary Accommodation and B&B Financial Management - Follow Ups	To commence
28	Law & Governance	Local Land Charges	To commence
29	IT & Programmes	IT Equipment Asset Management (Service)	To commence

8. The 2025/26 Audit Plan has 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 Audit Plan during quarter 4.

Table showing amendments to the 2025/26 Internal Audit Plan (during Quarter 4)

Service Area	Audit	Added / Removed (Days)	Internal Audit Risk Score	Rationale
Adult Social Care	Emergency Duty Service	-15	Medium	Audit swapped with Care Technology (both assessed as Medium Risk) to accommodate service priorities
Adult Commissioning	Care Technology	+15	Medium	Audit swapped with Emergency Duty Service (both assessed as Medium Risk) to accommodate service priorities
Finance, Estates and Benefits	Human Resources (Service KAF)	-10	Low	Risk score re-assessed during year from medium to low. Removed from plan due to low risk and resource pressures.
Net changes		-10		

9. 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.
10. The audits planned for the remainder of Quarter 4 are shown on the 'audits in progress' table above. Planned audits for Quarter 1 are included in the 2026/27 Audit Plan report which is being presented as a separate item to this Audit & Governance Committee.

Significant Issues Arising and Other Work

11. Six Early Education Fund (EEF) audit final reports were issued during Quarter 4. All 32 planned reviews for 2025/26 have now been completed. No significant issues were identified.
12. The audits of the Poole and the Bournemouth Charter Trustees were carried out during the quarter and reported to their respective committees.
13. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Standards.

Implementation of Internal Audit Recommendations

14. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first 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 appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
15. At the end of February, there were 13 high recommendations which have exceeded their original target date. Of these, eight have previously been reported to Audit & Governance Committee and the agreed revised target date not yet been met. The remaining five meet the criteria in paragraph 14 and are therefore shown in Appendix 1.
16. All other High Priority recommendations followed up during the period were found to have been satisfactorily implemented by management.

17. 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.
18. As at the end of February, there were two medium priority recommendations which had been outstanding for over 18 months. However, these have previously been reported to this Committee and the agreed revised date has not yet been met. Therefore, none are included in Appendix 1.
19. Please note that the revised Internal Audit Charter, which is being reported separately to this Committee, brings forward the reporting of outstanding medium priority recommendations to those outstanding for a year. This is to enhance the escalation of outstanding recommendations and unaddressed risk to Audit & Governance Committee. As at the end of February, there were five medium recommendations which met this criteria.
20. 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

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

Summary of financial implications

22. The BCP Council Internal Audit Team revised budgeted cost for 2025/26 is £824,400; 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.
23. At this stage of the financial year, based on assumptions for the remainder of the year, there is a projected underspend forecast in the region of £10,000.

Summary of legal implications

24. 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

25. The Internal Audit Team currently consists of 12.95 FTE inclusive of the Head of Audit & Management Assurance. However, one of the Audit Managers has tendered their resignation and will be leaving at the end of the financial year. Consideration is currently being given to the best way to fill this role.
26. In the annual report, the Chief Internal Auditor must provide an opinion on whether the resources are sufficient to provide Audit & Governance Committee and the Council's senior management with the assurances required. The Chief Internal Auditor is keeping this under active review to ensure sufficient coverage. This will include consideration of assurances provided by external bodies, such as CQC, Housing Inspectorate and Ofsted, as well as the breadth and depth of internal audit coverage provided. If necessary, the CIA will seek to appoint temporary resource to ensure that the Council is provided with an audit opinion, however, this is not considered necessary at this point.
27. A specialist IT audit contractor was engaged to deliver the Citizen Development (Application Development) audit.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix 1 –High Priority recommendations – original / revised target date exceeded; and Medium Priority recommendations outstanding for 18 months beyond the original target date where not previously reported

Appendix 1 - Table; High Priority recommendations where the original/revised target date for implementation was not met

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
HIGH PRIORITY RECOMMENDATIONS				
<u>Children’s Services – Health & Safety & Fire Safety (2024/25)</u> – partial assurance				
One of the four high priority recommendations has been implemented; the three outstanding recommendations are shown below:				
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, 31/8/25; 31/12/25; 28/2/26	The reconciliation of building records has been completed. The majority of buildings have been confirmed as being under the responsibility of their respective tenants or have trained LFSCs formally assigned to the buildings. However, there are three buildings which remain without an allocated LFSC that will be progressed as a priority.	31/3/26	Yes
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, 31/8/25; 31/12/25; 28/2/26	Evidence of fire checks have been sent to audit for the nine buildings that have been assigned a trained LFSC.	31/3/26	Yes
All Children’s Services buildings should have an assigned LFSC. This should be communicated to the Corporate Fire Safety Team. In addition, LFSCs should be up to date with the relevant fire safety training and this should be appropriately recorded.	30/9/25; 31/12/25; 28/2/26	This issue has been escalated to the Corporate Health, Safety and Fire Board by the Chair of the Children’s HS&FB. LFSCs role requires review in order to encourage staff to take up the duties. A paper is being presented by Children’s Services and the Fire Safety Officer.	31/3/26	Yes
<u>Schools Finance (2024/25/26)</u> – partial assurance				
Deficit recovery plans must be put in place for any maintained school in a reserve balance deficit as required by the DfE. Additionally, given the number of schools either in or nearing a reserve balance deficit position, consideration should be given to developing a strategic approach to identify potential cost-savings and efficiencies that could apply to multiple maintained schools.	31/1/26	Deficit recovery plans for two schools (Christchurch Learning Centre and Linwood) are progressing and will need to be reviewed and agreed at each school’s governing body before submission to BCP for approval. One School (Somerset Primary) has recently had a Schools Resource Management Advisor review completed and we are awaiting the report, which is expected to outline potential savings opportunities. Furthermore, a Team Around the School (TAS), including	31/5/26*	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
		Education and Finance Officers, school staff and governors, is in place to support deficit recovery and budget planning. <i>*Revised date set to accommodate the schools' annual budget planning process</i>		
Out of Borough Placements (2025/26) – partial assurance				
<p>A review of all 2025/26 Out of Borough active provisions must be undertaken to identify the missing notifications. Once identified, further steps to locate the missing record, such as requesting IT to undertake email searches, should be undertaken, or the host authority re-notified (if relevant).</p> <p>Additionally, all Out of Borough notifications should be stored on the young person's Mosaic record. Where this is not possible, they should be stored on the young person's SharePoint folder.</p> <p>Furthermore, a data transfer procedure should be implemented to ensure that all data is moved from network drives to SharePoint securely. A review should be carried out to ensure that there have been no further erroneous deletions of data.</p>	31/1/26	<p>A review is underway of all OOB notifications for children placed during 2025/26, this shall be completed by 31/03/2026. All records shall be updated and stored in the child's folder in MOSAIC.</p> <p>Data transfer from P Drive to Teams has been strengthened and champions have been identified which will ensure consistency moving forward.</p>	31/3/26	No
MEDIUM PRIORITY – outstanding 18 months beyond the original target date (not previously reported OR revised date exceeded)				
None to report				

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Two Riversmeet Studios
Meeting date	19 March 2026
Status	Public report with exempt appendices
Executive summary	The report provides additional information requested from Audit & Governance Committee regarding the financial considerations for capital borrowing to fund a two-storey extension to Two Riversmeet Leisure Centre (2RM) to address the identified need for dedicated studio space in Christchurch. The investment aims to enhance the centres health, fitness and cultural offer, increase membership and income whilst supporting community wellbeing and aligning with the Council’s corporate strategy.
Recommendations	<p>It is RECOMMENDED that Audit and Governance Committee recommend to Council:</p> <p>a) Approval of authorised borrowing of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.</p>
Reason for recommendations	Enhancing 2RM Leisure Centre with dedicated studio space will enable the centre under BCP Leisure to grow and strengthen its financial position by offering a refreshed, modern facility for Christchurch. The project aligns with the corporate strategy ensuring people can be active and healthy while expanding access to high-quality cultural, health and wellbeing services for the local community.

Portfolio Holder(s):	Portfolio Holder for Destination, Leisure & Commercial Operations
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Amanda Barrie – Director of Commercial Operations Helen Wildman – Head of Leisure & Events
Wards	Christchurch Town;
Classification	For Decision

Background

1. A paper was taken to Cabinet on 14 January 2026 recommending Cabinet to recommend to Council approving the building of a two-storey facility extension at Two Riversmeet Leisure Centre (2RM) through prudential borrowing creating two brand new multi-use studios costing £1.8m, subject to planning permission.
2. The Cabinet paper was approved and taken to the Audit and Governance meeting on 15 January, where the committee asked for additional information to be provided before making a decision on the borrowing.
3. This paper sets out the additional information requested by the Audit and Governance Committee.

Current Leisure Centre provision

4. Two Riversmeet Leisure Centre (2RM) is one of ten BCP Council owned leisure centres. Five of these are currently being operated in house as BCP Leisure.
5. This gap limits its ability to meet growing demand for group exercise, health and wellbeing, martial arts and cultural services.
6. A timeline is in place starting from 2027 to undertake a review of the management of leisure centres, looking at the position of leisure across BCP Council and to recommend the future management model.
7. Therefore, alternative management models have not been considered in the options appraisal for the studios.
8. In the meantime, BCP Council will need to continue to maintain the facilities ahead of this work to ensure they remain in line with the market and support the Medium Term Financial Plan (MTFP).
9. The 2RM Studio scheme draws directly on the learning from BCP Council's recent highly successful leisure investment at Kings Park Leisure and learning Centre in Boscombe, demonstrating the Council's ability to develop and operate facilities that are both financially robust and strongly aligned to resident demand, ensuring this asset performs effectively for the Council's wider leisure portfolio.
10. A market competitor analysis was originally completed to assess the need in addition to what had been identified through the Built Facilities Needs

Assessment. An updated analysis of the current provision can be found in appendix 9 (restricted).

11. Using the Sports England National Moving Communities data platform, engagement in group workout activities at Two Riversmeet sits at 20.86%, almost 10% more participants than the national benchmark of 10.90%.

Options Appraisal

12. Two options were presented to Cabinet, do nothing or take forward the business case with £1.8m capital borrowing.
13. The original business case for the borrowing can be found in appendix 2, however it should be noted that borrowing costs have been updated as per appendix 1 presented at Cabinet.
14. Footfall figure quoted in original business case are based on less comprehensive modelling that included spectators, parents, events, casual café traffic etc. Core participation footfall has since been more refined and is measurable through the Gladstone Leisure system. Refined footfall is detailed in point 34 below.
15. In addition to the two options provided in the 14 January cabinet paper, three additional options were considered in the early feasibility work which are identified as options 3, 4 and 5 in this report.
16. Consideration in the options was not given to building on a new site away from the leisure centre due to the operational costs a standalone centre would bring and the loss of the unique selling point of a community leisure centre.

Option 1 – Do nothing

17. As per Cabinet report 14 January 2026

Option 2 - Take forward business case with £1.8m capital borrowing

18. As per cabinet report 14 January 2026

Option 3 – Repurposing of the Squash Court

19. Repurposing the existing squash courts was explored as an alternative to building new studios in the early feasibility work. Surveys identified multiple structural and design constraints, including insufficient space and height for M&E requirements, lack of natural light and ventilation, the need to raise the roof, and the presence of a central retaining wall that would require intrusive pillars, reducing usable space.
20. With the major investment into the repurposing the converted space would only support 15–20 participants which was below the required capacity of 40 limiting the financial opportunities for income and unlikely to be able to deal with the class demand
21. Financially the conversion was estimated to cost around £1.1m for a single studio and would simultaneously reduce annual squash related income, including league and tournament revenue.

22. Given the considerable risks, reduced service offer, capacity limitations, and unfavourable cost–benefit position, officers concluded that re-provision is not a viable option.

Option 4 – Creation of a mezzanine level to the Sports Hall

23. Initial feasibility work showed extensive structural modifications would be required, including the construction of a new internal steel structure to form a first-floor studio.
24. Existing foundations were anticipated to be shallow, necessitating new piled foundations within the hall to support the steel structure with concerns identified regarding the stability of the existing glulam beams.
25. To provide access, additional alterations would be required on the first floor level and re configuration would be required for storage and plant impacting on the final size of the studio space delivered.
26. The sports hall would have been out of use for the full duration of the works impacting over £100k of income during the construction.
27. When assessing the income generation, the loss of revenue from one court would need to be factored into the calculation starting in a negative position

Option 5 – Creation of a single-storey extension adjacent to swimming pool

28. This option was quickly discounted, as it did not provide sufficient space for the studios, plant rooms, and storage requirements when calculations were undertaken.

Competitor analysis

29. A Strategic Leisure review of 2RM was independently undertaken by Strategic Leisure Limited and identified the need for a purpose-built studio facility alongside the built needs facilities assessment.
30. The report assessed 'Improved studio(s) are a necessity and will need to be investigated further to remain competitive and offer a complimentary portfolio'
31. A recently updated marketing report for BCP Leisure highlighted 'Without investment in the physical offer, the effectiveness of marketing interventions will remain capped, limiting the ability to drive sustained growth or materially improve the bottom line of BCP Leisure.'
32. Whilst there continues to be a trend of pop up gyms, they do not offer dedicated studio space or facility hire with a complete offering of facilities and dedicated classes reaching different cultures and demographics with the opportunity to grow community inclusion.
33. An up to date review of current competitors and provision can be found in appendix 9 (restricted).
34. Many of the competitors are for members only with a focus on gym memberships rather than dedicated studio space. In contrast, 2RM provides an accessible, community focused public leisure offer, designed to support broader wellbeing, social inclusion, and local engagement.

35. With an estimated 48,000 residents living in Christchurch, the scale of local demand provides a strong foundation for 2RM's offer independent of competitor behaviour. The Christchurch fitness market is varied, yet clear competitors emerge for the 2RM facility. While budget gyms and specialist providers meet specific segments, 2RM can clearly differentiate through quality programming, enhanced facilities, and a community focused leisure centre offer.
36. Evidence shows consistent unmet demand for peak time group exercise. This highlights a significant opportunity for 2RM to attract users seeking greater reliability and availability.
37. Crucially, none of these competitors provide a cultural offer for dance, martial arts, or similar community based activity, leaving a notable gap in the market.

Opportunity costs

38. The section compares three options, constructing a new two-studio extension, repurposing existing squash courts into a single studio and taking no action.
39. The creation of two new purpose built studios will increase the membership capacity of 2RM giving the opportunity to grow membership levels to a higher level by approximately 16% (approx. 40,000 visits) due to an increased footprint of the centre.
40. Repurposing the squash courts would fit 15–20 participants which would not give the opportunity to grow the membership and class size likely, resulting in duplication of classes and staffing costs and membership value
41. Repurposing the squash courts, while lower cost initially, results in substantial losses in revenue potential, service quality, loss of current income and futureproofing with a risk of future unknown costs from adapting the current building.
42. Doing nothing represents the highest long-term risk, preventing growth and allowing facilities to fall further behind market expectations with Christchurch being the only town with no studios in their public leisure centre.
43. The recommended option of a new build delivers the highest long-term financial return, operational capacity, and strategic benefit to meet both current and future demand.
44. The additional space from two new studios allows for the introduction of new leisure services to benefit the wider community and the introduction of cultural services for residents such as dance and drama through facility hire.
45. Investment in the leisure centre will secure the strongest income contribution to the MTFP, independent of the future management model.
46. A wider piece of work is currently underway with a Leisure Centre transformation across all of the five internally run leisure sites to be presented in a future to Cabinet later in 2026.
47. This paper will look at the maintenance investment with commercial opportunity to offset this along with efficiencies in energy from the investment.
48. 2RM is the only Council owned leisure centre in Christchurch and the only centre without purpose built studio provision highlighting the need for the studio

investment to maintain and grow membership allowing for a strong position against competitors.

49. The studios is a new build item whereby the timeline is built around nesting season and planning requirements.

Summary of financial implications

Membership analysis

50. Appendix 2 details the growth in membership numbers comparing actuals with investment and no studios, investment with studios and a no investment scenario.
51. Membership with the studio investment will have the ability to grow beyond the projected income due to an increased footprint of the centre with the studio build. This membership line has a sharp increase from the marketing of the investment moving to a maintain position and a small reduction after year 14. A sinking fund would mitigate any further levelling off and potential continue the maintain position.
52. The graph details investment within the centre without any new studios which will begin with growth and then level in line with maximum centre capacity without additional infrastructure.
53. The final line shows a levelling off without growth leading to an eventual decline in membership if no investment is made and no studios are built as the site which will mean 2RM no longer remain competitive within the market.
54. The UK Health & Fitness market report 2025 looks at engaging the next generation of fitness consumers. Health, fitness and wellbeing is seen as a non-negotiable for younger generations. Motivations for fitness are evolving beyond physical health to encompass social connection and mental well-being, particularly among Gen Z. Operators can capitalise on this market opportunity by creating engaging social spaces that go beyond fitness, building a sense of community and offering experiences that align with consumer priorities
55. Membership income relates to half of the projected additional income. The rest is through facility hire, pay as you go, party hire and secondary spend.
56. Sport England's 2025 economic analysis confirms that every £1 invested in physical activity generates £4.20 in economic and social value, demonstrating strong financial return for public-sector investment in activity spaces such as fitness studios.
57. The business case has been developed based on what we are aware of in the market at the current time taking into account population and demographic both now and in the future.
58. Assumptions are based on national leisure trends, current membership levels, competitor analysis, customer insights at 2RM and professional experience and judgement.

Financial sensitivity analysis

59. The capital team has supported the cash flow calculations and sensitivity analysis.

60. Appendix 1 details the capital investment and income generation based on 5.88% PWLB interest on borrowing as attached to the Cabinet report. This was based on full year equivalent income and expenditure assuming optimum membership take up, with a sinking fund starting from the beginning.
61. Further sensitivity analysis has been carried out, and this is summarised in Appendix 3 (restricted).
62. The gross cash flow model is not expressed in present value, however the Net Present Value has been calculated for each scenario discounted at 2%. The net present value calculation does not change the affordability picture for this scheme shown through the sensitivity analysis.
63. The estimated build costs of £1.8m including a contingency of 20% has been priced through the internal works team who would undertake the build giving comfort in the estimated figures provided. Three sensitivity analysis scenarios have been carried out assuming the project is delivered on budget, with 5% overspend and 5% underspend variability.
64. Appendix 8 gives a further breakdown of the most up to date build costs.
65. The original project costs included a 10% contingency however as seen in the most up to date costings with refined quotes there is currently a 20% contingency within the costs.
66. This contingency mitigates potential increases in the cost of supplies.
67. Capital funding will not be drawn upon until planning is complete. Should additional costs for the build be identified through the planning process, this would be reported at the milestone meeting ahead of any spade in the ground for a further assessment of risk.
68. A sinking fund of £10,000 per annum has now been profiled from 2028/29 (year 3), this is sufficient to provide an additional comfort of £227k across the 20 year repayment period to ensure major repairs are sustainable for the studios to remain of a high quality to retain the increased membership levels, and it provides a modest additional financial leeway at the beginning of the project.
69. Income generation sensitivity analysis has been carried out for 6 different scenarios. Three scenarios using the BCP low risk interest rate of 5.5% for borrowing and the same three scenarios using the PWLB prevailing interest rate of 5.88%.
70. The three scenarios for each interest rates variance are based on optimum membership increase of 260 (18%), minimum membership increase required to break even of 217 (15%) and a low membership increase of 144 (10%).
71. Income in 2026/27 has been assumed at 60% due to part year opening.
72. Cost of borrowing begins one year after expenditure is incurred which is in 2027/28 for this project and is calculated on a maturity basis (fixed amount over the life of the project).
73. Inflation for increased income and expenditure is assumed at 2% throughout the 20 years.

74. Membership increase is assumed immediately tailoring down gradually from year 12 to reach 90% in year 16 of the project.
75. The financial analysis shows that the project can sustain the higher prevailing interest rate of 5.88% and a budget overspend of 5% only with an optimum membership increase of 18% generating a surplus of £880,000 over the 20 years
76. A membership increase of 15% would break even if expenditure is on budget (surplus between £62,000 and £197,000), if expenditure is 5% underspent (surplus between £255,000 and £384,000), or if 5% overspent at the lower interest rate of 5.5% with a net surplus over the 20 year period £10,000.
77. A membership increase of 10% is not viable in any scenario, the additional income would be less than the cost of borrowing with a net deficit between £1.3 million and £1.8 million.
78. The best case scenario of lower interest rates, budget underspend of 5% and optimum increase in membership could generate a £1.4 million surplus over the 20 year period.
79. The worst case scenario of higher interest rates, budget overspend of 5% and lower membership increase of 10% could result in a £1.8 million deficit over the 20 year period.
80. Finance use published CPI forecasts to provide consistency across the capital projects appraisals. The forecasts published at the Autumn budget were estimating a degree of stability in the level of CPI between 2026/27 and 2029/30, the same forecast has been extrapolated for the remaining future years.
81. General repair and maintenance are manageable within the 2RM current budget as indicated in the cash flow model. The provision of a sinking fund for major repairs in a capital appraisal is good practice. The 2% inflation applied is to maintain the present value of £10,000.
82. Services don't consistently set aside sinking funds for major repairs in BCP Council, often when major repairs are required new business cases are put forward requesting new funding. The £10,000 is based on affordability, generating a £227,000 fund by year 20 will provide a considerable amount available towards major repairs reducing or avoiding further budget pressures in future years.

Prudential borrowing

83. As part of the prudential borrowing code, borrowing is not incurred specifically to individual projects and is not incurred in advance. At the end of the financial year capital expenditure is financed in the financial statements using the funding streams for the individual projects in sequence external funding used first, borrowing used last. There is often slippage with capital schemes, borrowing is charged based on the total expenditure funded from borrowing at the end of the financial year, therefore it is passed to the service during the following financial year.

84. Borrowing is managed through the treasury management function. Borrowing is incurred in bulk to sustain the bank balance therefore there may be some temporary internal borrowing dependant of cash flow.
85. The £133,416 reflects an estimate of part year of activity if the project is delivered timely as expected. The works are expected to be incurred in the same financial year. Expenditure incurred during the same financial year will be managed within the treasury management function as described above and the cost of borrowing will be charged to the service in the following financial year.
86. Finance calculates the cost of borrowing on a maturity basis (equal annual profile of principal and interest) across the capital projects appraisals on a consistent basis. Borrowing repayment is also charged to the service on a maturity basis, therefore this is consistent with the impact on the service budget.

Summary of legal implications

87. It remains necessary to comply with all relevant procurement requirements, including BCP Council's Financial Regulations and the Public Contracts Regulations 2015 and the Procurement Act 2023 (where applicable) for any other aspects of the works that are to be carried out by third parties under contract and purchase of equipment and/or materials.
88. In addition, it is necessary to comply with all requirements in respect of subsidy control, planning, Community Infrastructure Levy (CIL), any leases, property, Land Registry, land ownership, any contracts, funding conditions, funding applications, borrowing, capital borrowing, BCP Council's Constitution (including the Financial Regulations), requirements of full Council, where applicable.

Summary of human resources implications

89. The staffing structure in terms of building management is already in place within the Leisure Centre and therefore will not require dedicated staff in addition to the duty management of the site
90. Staffing requirements for classes are on a timetable basis with a mixture of casual and contracted staff undertaking these.

Summary of sustainability impact

91. The planning application will consider biodiversity and flooding with detailed risks assessments submitted as part of the application.
92. The proposed timeline takes into account environmental factors such as nesting season between March and August.
93. During construction phase best practice measures will be incorporated to sort and reuse materials generated by the demolition of the existing buildings/hardstanding and where practicable new materials will be sourced locally.
94. 2RM has a Building Management System (BMS) which continuously optimises the operation of the photovoltaic panels (PV), Air Handling Units (AHUs), Air Source Heat Pumps (ASHPs), and boilers to ensure they are running at peak efficiency. The proposed studio would integrate with the existing BMS

infrastructure, allowing it to be monitored, controlled, and optimised in exactly the same way as the current building system.

- 95. With the considered approach by the design team and client, the proposals will meet the requirements of sustainability, as required and in accordance with paragraph 39 of the council's Local List of Requirements for planning applications.

Summary of public health implications

- 96. Taking forward the business case option will provide the opportunities for increased fitness and activity amongst residents and allow for development of class timetables to support a wide variety of classes for different abilities better delivery for community needs.
- 97. A wider choice and ability for specialist programmes will support the growth of the GP referral scheme and the transition of members from the referral into memberships.
- 98. A 2025 Moving Communities study showed that activity delivered in public leisure centres prevented over 28,000 costly health conditions in one year and saved the NHS £398 million. Activities such as yoga, low-impact aerobics, and group exercise classes, were highlighted as especially impactful for older adults and underserved groups

Summary of equality implications

- 99. An EIA conversation has been undertaken and reviewed by the Equality team.
- 100. Additional timetabling will allow for greater consideration for the physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

Summary of risk assessment

- 101. The overarching project risk assessment can be found in appendix 5.
- 102. The Cabinet paper from 14 January provides a summary of some of these risks.
- 103. The below table shows the governance structure to support the risk mitigation of the project.

2RM Studio Project Governance



104. The Director of Commercial Operations will be the Senior Responsible Officer (SRO) and will act as chair of the Project group.
105. Terms of reference with defined roles and responsibilities for officers on the project group will be drafted during the planning phase led by the SRO.
106. In line with other Council projects such as the insourcing of three leisure centres, there will be a live risk log for the project and the hierarchy of controls will be used as the principle for the management of these risks with elimination being the preferred approach.
107. A risk strategy will be applied to the log in terms of prevention, reduction, transferred, accepted or contingency.
108. Should the risk tolerance raise above moderate the SRO will be responsible for the management of the risk and any escalation.
109. All actions and decisions across the project will be logged and reported into the project group to ensure there is a clear auditable trail of the project.
110. There will be a number of milestones to report on throughout the project, an example of this would be the planning decision stage. A further milestone reporting will be undertaken pre-construction once the works team are ready to proceed.

Background papers

Cabinet paper 14 January 2026 ([Public Pack](#))[Agenda Document for Cabinet, 14/01/2026 10:15](#)

Appendices

- Appendix 1 – Financial projections
- Appendix 2 – Membership growth (restricted)
- Appendix 3 – Financial sensitivity analysis (restricted)
- Appendix 4 – Original business case
- Appendix 5 – Project risk assessment (restricted)
- Appendix 6 – Original Cabinet report
- Appendix 7 – Project Gantt Chart
- Appendix 8 – Build costs (restricted)
- Appendix 9 – Competitor Analysis (restricted)
- Appendix 10 – Outline benefits register

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BCP funding model template		Scheme Title:		Assumptions																				20 year total														
Investment summary: Total Investment/capital cost £ 1,778,878 Capital Funding: 0 BCP PWLB Borrowing: 1,778,878		Inflation: 2% Investment period: 20 Interest rate: 5.88%		0 Average surplus per annum first 10 years (51,288) income tax/royalty to membership																																		
		100%		60% part year		100%		100%		100%		100%		100%		100%		100%		100%		98%		96%		94%		92%		90%		90%		90%		90%		
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
New Income		Financial Input	From period																																			
Membership sales		(125,000)	1	0	(76,500)	(130,050)	(132,651)	(135,304)	(138,010)	(140,770)	(143,586)	(146,457)	(149,387)	(152,374)	(155,422)	(158,536)	(161,714)	(164,954)	(168,254)	(171,612)	(175,028)	(178,502)	(182,033)	(185,620)	(189,263)	(192,961)	(196,714)	(200,521)	(204,381)	(208,294)	(212,261)	(216,281)	(220,353)	(224,477)	(228,653)	(232,881)	(2,924,621)	
Casual Fitness Income		(20,000)	1	0	(12,240)	(20,808)	(21,224)	(21,649)	(22,082)	(22,523)	(22,974)	(23,433)	(23,902)	(24,380)	(24,867)	(25,365)	(25,874)	(26,393)	(26,922)	(27,461)	(28,010)	(28,569)	(29,138)	(29,717)	(30,306)	(30,905)	(31,514)	(32,133)	(32,762)	(33,401)	(34,050)	(34,709)	(35,378)	(36,057)	(36,746)	(37,445)	(467,939)	
External Facility Hire		(70,000)	1	0	(42,840)	(72,828)	(74,285)	(75,770)	(77,286)	(78,831)	(80,408)	(82,016)	(83,656)	(85,330)	(87,038)	(88,777)	(90,552)	(92,362)	(94,207)	(96,087)	(98,001)	(100,000)	(102,082)	(104,241)	(106,477)	(108,791)	(111,182)	(113,650)	(116,195)	(118,817)	(121,517)	(124,294)	(127,148)	(130,079)	(133,087)	(136,172)	(1,766,272)	
Sports Hall Increased Use		(10,000)	1	0	(6,120)	(10,404)	(10,612)	(10,824)	(11,041)	(11,262)	(11,487)	(11,717)	(11,951)	(12,190)	(12,434)	(12,682)	(12,934)	(13,190)	(13,450)	(13,714)	(13,982)	(14,254)	(14,530)	(14,810)	(15,094)	(15,382)	(15,674)	(15,970)	(16,270)	(16,574)	(16,882)	(17,194)	(17,510)	(17,829)	(18,152)	(243,753)		
Birthdays / Holiday Clubs		(20,000)	1	0	(12,240)	(20,808)	(21,224)	(21,649)	(22,082)	(22,523)	(22,974)	(23,433)	(23,902)	(24,380)	(24,867)	(25,365)	(25,874)	(26,393)	(26,922)	(27,461)	(28,010)	(28,569)	(29,138)	(29,717)	(30,306)	(30,905)	(31,514)	(32,133)	(32,762)	(33,401)	(34,050)	(34,709)	(35,378)	(36,057)	(36,746)	(487,506)		
Secondary income (Retail, Café, Vending)		(10,000)	1	0	(6,120)	(10,404)	(10,612)	(10,824)	(11,041)	(11,262)	(11,487)	(11,717)	(11,951)	(12,190)	(12,434)	(12,682)	(12,934)	(13,190)	(13,450)	(13,714)	(13,982)	(14,254)	(14,530)	(14,810)	(15,094)	(15,382)	(15,674)	(15,970)	(16,270)	(16,574)	(16,882)	(17,194)	(17,510)	(17,829)	(18,152)	(243,753)		
				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Income		(255,000)	0	(156,060)	(285,302)	(270,608)	(276,020)	(281,541)	(287,171)	(292,915)	(298,773)	(304,749)	(310,844)	(317,060)	(323,397)	(329,856)	(336,438)	(343,145)	(350,000)	(357,000)	(364,145)	(371,435)	(378,870)	(386,451)	(394,179)	(402,055)	(410,080)	(418,255)	(426,581)	(435,059)	(443,690)	(452,475)	(461,415)	(470,510)	(479,761)	(6,073,845)		
Operating Expenses																																						
General Maintenance	manageable within 2RM current budget	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Staff for holiday clubs and birthday		4,000	1	0	2,448	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,973	5,073	5,174	5,278	5,383	5,491	5,601	5,713	5,827	5,944	6,063	6,184	6,308	6,435	6,565	6,698	6,834	6,972	7,113	7,257	7,403	97,501		
Utilities/lighting		5,000	1	0	3,060	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	7,284	7,430	7,579	7,730	7,884	8,041	8,201	8,364	8,529	8,696	8,866	9,039	9,215	121,877		
Secondary spend (Retail, Café, Vending)		5,000	1	0	3,060	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	7,284	7,430	7,579	7,730	7,884	8,041	8,201	8,364	8,529	8,696	8,866	9,039	9,215	121,877		
Rates		20,000	1	0	12,240	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380	24,867	25,365	25,874	26,393	26,922	27,461	28,010	28,569	29,138	29,717	30,306	30,905	31,514	32,133	32,762	33,401	34,050	34,709	35,378	36,057	36,746	487,506		
Equipment purchases	manageable within 2RM current budget	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Card/Bank charges		2,000	1	0	1,224	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	2,856	2,914	2,972	3,031	3,091	3,151	3,212	3,274	3,337	3,401	3,466	3,532	3,599	3,667	3,736	48,751	
Cleaning and consumables		1,000	1	0	612	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319	1,345	1,373	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,608	1,640	1,672	1,705	1,738	1,772	1,806	1,841	1,876	24,375	
				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total operational Expenditure		37,000	0	22,644	38,495	38,265	40,050	40,851	41,668	42,501	43,351	44,218	45,103	46,005	46,925	47,863	48,821	49,797	50,793	51,809	52,845	53,902	54,980	56,080	57,202	58,347	59,515	60,706	61,921	63,160	64,424	65,713	67,027	68,367	69,732	90,887		
Sinking fund for major repairs																																						
Sinking Fund		10,000	3	0	0	0	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,934	13,190	13,450	13,714	14,000	14,282	14,568	14,859	15,154	15,453	15,756	16,063	16,374	16,689	17,008	17,331	17,658	17,989	18,324	227,229		
Total Expenditure		10,000	0	0	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,934	13,190	13,450	13,728	14,002	14,282	14,568	14,859	15,154	15,453	15,756	16,063	16,374	16,689	17,008	17,331	17,658	17,989	18,324	18,661	19,001	227,229		
Financing																																						
Borrowing repayments (principal)	years	20	1	0	0	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	88,944	1,778,878	
Borrowing repayments (interest)	Int %	5.88%	1	0	0	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	104,598	2,091,960	
Total Financing cost		0	0	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	193,542	3,870,838		
Total net cost / (surplus)		(208,000)	0	(133,416)	(33,265)	(27,189)	(31,604)	(36,107)	(40,700)	(45,385)	(50,163)	(55,037)	(60,009)	(65,080)	(70,254)	(75,532)	(80,914)	(86,404)	(92,002)	(97,709)	(103,525)	(109,450)	(115,484)	(121,628)	(127,882)	(134,246)	(140,720)	(147,304)	(153,998)	(160,802)	(167,716)	(174,740)	(181,874)	(189,118)	(1,073,891)			
Total net cost / (surplus) cumulative				(133,416)	(166,681)	(193,871)	(225,475)	(261,582)	(302,281)	(347,666)	(397,829)	(452,867)	(512,876)	(577,956)	(648,100)	(723,312)	(803,696)	(890,256)	(983,004)	(1,082,052)	(1,187,500)	(1,299,458)	(1,418,026)	(1,543,304)	(1,675,502)	(1,814,830)	(1,961,498)	(2,115,706)	(2,277,654)	(2,447,552)	(2,625,600)	(2,812,098)	(3,007,346)	(3,211,744)	(3,424,592)			
				Average surplus first 3 years (69,891)																								(3,870,838)										
				Average surplus first 10 years (54,542)																																		
cost of borrowing with 5% overspend																																						

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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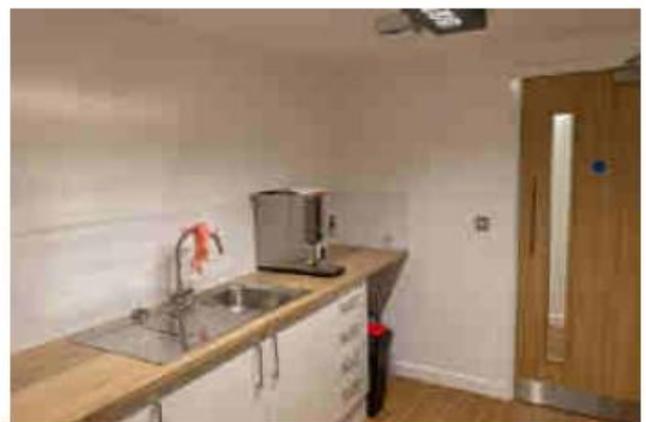
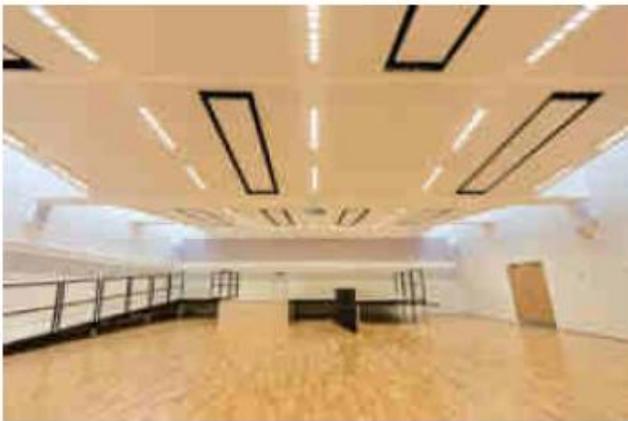
Full Business Case

Two Riversmeet Leisure Complex, Leisure Services.

Project Name	2RM Studio Development
SRO	Amanda Barrie, Director of Commercial Operations
PPM Officer	Linda Dunkley, Contract and Compliance Manager
Lead Officers	Simone Hudspith, Business Development Team Leader, 2RM Dan Stone, Leisure Partnership & Development Manager Helen Wildman – Head of Leisure & Events

Project Overview

PROJECT IMAGES



To request £1.8m funding for a two-story facility extension at Two Riversmeet Leisure Centre (2RM) creating two brand new multi-use studios.

2RM is one of ten BCP Council owned leisure centres and the only one located in Christchurch. 2RM is also the only leisure centre that has no purpose-built studio facilities. 2RM is a multi-regional and national award-winning facility which is performing in the higher quartile against national competitors.

Due to having no purpose-built studio facilities the existing exercise class provision is restricted to using the sports hall and squash courts.

The recently completed 'Built Facilities Review' (copy attached), commissioned to identify needs, gaps and opportunities for sports provision across the BCP Council conurbation, identified 2RM as a key strategic leisure asset. Further, it advised that Christchurch required additional studio provision to meet the needs of residents.

The "Strategic Leisure Review of Two Riversmeet Complex" (copy attached), independently undertaken by Strategic Leisure Limited, identifies a need for a purpose-built studio facility. "The highest priority is to enhance the health and fitness offer. This is the main income generator and there is latent demand for improved facilities. This review confirms that this is a key 'weaknesses of the centre "Lack of dedicated studio space and specific facilities for children". (page 19, section 1.4.d).

Studio Dimensions and Capacity:

Studio 1: 150m²

Studio 2: 150m²

The capacity of each studio is dependent on activity but the average capacity for group exercise would be 30 – 40 participants per session.

Proposed Location:

2 Riversmeet Leisure Centre – Location Plan
Proposed extension for 2 studios.



Strategic Alignment

This project will provide, enable and support the community with a wide range of valuable services.

The services will prioritise physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

The investment will generate additional revenue therefore improving the net financial position of the service meeting the years 2,3 and 4 objectives set out in the Medium Term Financial Plan (MTFP).

The project aligns with the strategic vision and ambitions of the authority, most noticeably with the following delivery outputs:

- Our Place and Environment – Vibrant places where people and nature flourish, with a thriving economy in healthy, natural environment.

Our communities have pride in our streets, neighbourhoods and public spaces

- Our People and Communities – Everyone leads a fulfilled life, maximising opportunity for all.

High quality of life for all, where people can be active, healthy and independent
Those who need support receive it when and where they need it
Skills are continuously developed, and people can access lifelong learning

- We are an open, transparent and accountable Council, putting our people at the heart of our services.

Working closely with partners, removing barriers and empowering others
Providing accessible and inclusive services, showing care in our approach
Intervening as early as possible to improve outcomes
Developing a passionate, proud, valued and diverse workforce
Creating an environment for innovation, learning and leadership
Using our resources sustainably to support our ambitions

Assessments, Agreements & Protocols	
Item	Completed
Equality Impact Assessment (EIA) – will be undertaken prior to submission to cabinet.	<input checked="" type="checkbox"/>
Decision Impact Assessment (DIA) – will be undertaken prior to submission to cabinet.	<input type="checkbox"/>
Data Protection Impact Assessment (DPIA) – N/A	<input type="checkbox"/>
Personal Information Sharing Agreement (PISA) – N/A	<input type="checkbox"/>
Internal Sharing Protocol (ISP) – N/A	<input type="checkbox"/>
Other	<input type="checkbox"/>

Option 0 – Do Nothing	
Description	Studio project not progressed.
In Scope	<ul style="list-style-type: none"> • NA
Out of Scope	<ul style="list-style-type: none"> • NA
Deliverables	<ul style="list-style-type: none"> • NA
Benefits	<ul style="list-style-type: none"> • No additional financial borrowing undertaken
Disbenefits	<ul style="list-style-type: none"> • No opportunity to increase annual revenue and meet future MTFP requirements. • No opportunity to regain use of sports hall for wider community benefit. • Less accessible space and inability to cater for sessions such as culture focused arts/dance, weight management, mental health/addiction support and recovery, sensory, SEND, children’s services-short breaks, adult skills and learning and LiveWell Dorset health clinics. • No opportunity to reduce the pressure on NHS services by enhancing the existing GP Referral service with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes.

	<ul style="list-style-type: none"> • No opportunity to increase footfall and decrease inactivity levels. • No opportunity to increase social value. • No opportunity to compete with local franchise gyms
Risks / Issues	<ul style="list-style-type: none"> • Serious risk of not meeting MTFP and achieving reduction of financial pressure on service and authority.
Resources	<ul style="list-style-type: none"> • Significant resource would be required to develop multiple strategies to match the generation of potential income as the studio build. This would include the creation of additional feasibility studies, financial business cases (finance) and authorisations from Head of Service, Service Director, accountancy and ICT. As with this study, any future proposals would also follow the same authorisation process as this case.
Duration	<ul style="list-style-type: none"> • Indefinitely until we reach the financial pressures under the MFTP.
Summary Costs	<ul style="list-style-type: none"> • Dependent on acceptance / rejections of future proposals.

Option 1 – Proceed with Build

Description	Build two studios that compliment the existing building structure using a team of dedicated professionals. The team will be sensitive to the project's aims and objectives and will make a significant contribution to the design of the building through their understanding of the services that will run, the community's needs, their preferences, priorities and habits. The team will secure a better and more sustainable design and foster a sense of civic pride and a sense of identity for the participants and for the community as a whole.
In Scope	<p>The chosen contractor/s will deliver all works associated with the creation of two additional studio spaces at 2RM based on the revised 'Option 4' location as shown on Architectural dwg.005 Rev A 'Option 4: Extension' as provided by BCP Council.</p> <p>Enabling works</p> <ul style="list-style-type: none"> • Mechanical works (heating, ventilation, domestic water and drainage) • Electrical works (lighting, small power and data, fire and security, distribution, containment and mains power, sound system / PA works, Power Supplies for Mechanical Plant) • Builders works <p>Budget Considerations</p> <ul style="list-style-type: none"> • Areas of the business that will be positively impacted by generation of increased revenue i.e secondary income from vending <p>Consideration of the following additional factors:</p>

	<ul style="list-style-type: none"> • Can the internal and external spaces be used in a number of ways for different user groups and needs? • Can the spaces be changed temporarily (e.g. with movable walls)? • Is there potential to change spaces/uses quite easily in the future? • Has the refurbishment made it possible to support a broader spectrum of user groups? • Can people enter and move around easily? • Are there any physical barriers to those with mobility limitations, with physical or learning differences, with buggies and small children? • Has the refurbishment made it possible for people who had not previously been able to access the building to use it? • Is the building easy to manage? • Is there adequate storage? • Is the internal climate easily controlled and changed? • Is the building easy to maintain e.g. easy to clean, handling daily wear and tear.
Out of Scope	<ul style="list-style-type: none"> • Current business operations / existing services which will not be impacted by the build. • Additional fitness equipment that may be required to furnish the studios.
Deliverables	<ul style="list-style-type: none"> • As stated above in 'scope'.
Benefits	<ul style="list-style-type: none"> • The investment will generate c40% (£49k) additional net revenue per annum therefore improving the net financial position of the service meeting the objectives set out in the MTFP. The multi-use studios will provide increased financial value by accommodating additional commercial services including group exercise, martial arts, dance, gymnastics, birthday parties and professional meeting/education space. • This investment will free up valuable sports hall and squash court hire availability enabling the service to meet increased local demand and increase revenue in these spaces. • The new facilities will meet the needs of the wider community by providing affordable accessible space to cater for sessions but not limited to, such as culture focused arts/dance, weight management, mental health/addiction support and recovery, age concern, sensory, SEND, children's services-short breaks, adult skills and learning and LiveWell Dorset health clinics. • The existing GP Referral service will be enhanced with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes. The provision of these services inevitably removes a great deal of pressure from the NHS.

	<ul style="list-style-type: none"> • Increased footfall: The services will cater for all demographics and the estimated annual footfall will increase from 600,000 to 900,000 per annum. • Social value measures the positive value businesses create for the economy, communities, and society. The total social value for 2RM for 23/24 was £1,029,161. This represents the total monetary social value generated by 2RM over the last 12 months. The increase in services and accessibility will certainly generate a far higher social value should it proceed. • No detrimental effect on current operations is anticipated.
Disbenefits	<ul style="list-style-type: none"> • Obligated to loan repayments
Risks / Issues	<p>Whilst feasibility studies indicate low risk of build, the pre-planning application will include:</p> <ul style="list-style-type: none"> • A Biodiversity Survey on existing biodiversity interest and possible impacts. This information might form part of an Environmental Statement, where one is necessary. • Risk Assessment which identifies opportunities to reduce the probability and consequences of flooding. For applications located in Flood Zone 2 and 3 the sequential test should be applied. <p>Mobilisation Risks:</p> <ul style="list-style-type: none"> • A total of 41 build related risks are detailed and mitigated in the feasibility report provided.
Resources	<ul style="list-style-type: none"> • Free consultation with Les Mills a global leader in group fitness and creator of over 25 programs available in leading fitness facilities around the world (part of benefits package with existing partner) • Architect / Project Manager from within BCP (1 month) • Project Manager for duration of project • Procurement Team for completion of PDRs for various elements of project (1 month) • 2RM Business Development Team Leader for guidance on services to be delivered (3 months) • 2RM Senior Duty Officer (Operations) for consultation on best practice with regards to operations of the facility. • 2RM Senior Duty Officer (Customer Experience) for consultation on configuration of CRM tool and maximisation of customer enjoyment of facility. • 2RM Admin team, to ensure facility bookings are secured prior to build completion to maximise revenue as soon as possible • Marketing Team to promote new facility to the community.

	<ul style="list-style-type: none"> Leisure Partnership Officer, to ensure increase in social value is quantified and reported. Senior Leisure Development Officer, to assist on project delivery and promote the facility to community sports clubs and groups. 																																													
Duration	18 months																																													
Summary Costs	<table border="1"> <thead> <tr> <th colspan="2">Key Financials - over 20 years</th> <th>£k</th> </tr> </thead> <tbody> <tr> <td>Capital Outlay</td> <td></td> <td>1,778.9</td> </tr> <tr> <td colspan="2">Financial Viability</td> <td>£k</td> </tr> <tr> <td>Net rental income over 20 years</td> <td></td> <td>(6,641.4)</td> </tr> <tr> <td>Net operational expenses over 20 years</td> <td></td> <td>252.5</td> </tr> <tr> <td>Borrowing Requirement (repaid over asset useful life)</td> <td></td> <td>1,778.9</td> </tr> <tr> <td>Interest cost of borrowing (@ 5.5% over 20 years)</td> <td></td> <td>2,134.7</td> </tr> <tr> <td>Net 20 year surplus</td> <td></td> <td>(2,475.4)</td> </tr> <tr> <td colspan="2">Projected Cashflow Summary</td> <td>£k</td> </tr> <tr> <td>Net surplus over 3 year MTFP (2022/23 to 2024/25)</td> <td></td> <td>(171.8)</td> </tr> <tr> <td>Net surplus years 4 - 10 (2025/26 to 2032/33)</td> <td></td> <td>(628.4)</td> </tr> <tr> <td>Net cost to BCP for years 11 - 20 (2034/35 to 2043/44)</td> <td></td> <td>(1,675.1)</td> </tr> <tr> <td>Net 20 year surplus (including Risk Premium)</td> <td></td> <td>(2,475.4)</td> </tr> <tr> <td>Risk Premium (difference between Invest to Save rate 5.5% and PWLB)</td> <td></td> <td>699.7</td> </tr> <tr> <td>Net 20 year surplus - without additional Invest to Save risk</td> <td></td> <td>(3,175.1)</td> </tr> </tbody> </table>	Key Financials - over 20 years		£k	Capital Outlay		1,778.9	Financial Viability		£k	Net rental income over 20 years		(6,641.4)	Net operational expenses over 20 years		252.5	Borrowing Requirement (repaid over asset useful life)		1,778.9	Interest cost of borrowing (@ 5.5% over 20 years)		2,134.7	Net 20 year surplus		(2,475.4)	Projected Cashflow Summary		£k	Net surplus over 3 year MTFP (2022/23 to 2024/25)		(171.8)	Net surplus years 4 - 10 (2025/26 to 2032/33)		(628.4)	Net cost to BCP for years 11 - 20 (2034/35 to 2043/44)		(1,675.1)	Net 20 year surplus (including Risk Premium)		(2,475.4)	Risk Premium (difference between Invest to Save rate 5.5% and PWLB)		699.7	Net 20 year surplus - without additional Invest to Save risk		(3,175.1)
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Project Governance Structure

Project Board	☒
Steering Group	☒

Financial Analysis - Indicative

	Description	2024/25	2025/26	2026/27	Total Capital Outlay over 20 years
		£000s	£000s	£000s	
Equipment	Features and Fittings	3,270	26,160	3,270	32,700
Staff	Project Management Fees	43,600	5,450	5,450	54,500
Construction Costs	Includes electrical services eg lighting, heating, air con and spund system. Includes demolition, alterations, foundations including excavations, frame and upper floors, roof, external walls, external doors and windows, internal walls, internal doors, wall finishes, floor finishes, ceiling finishes, mechanical works, electrical works, drainage and external works.	508,859	636,073	127,215	1,272,147
Fees	Allowance for fees (12%)	62,166	77,707	15,541	155,414
Consultancy Costs	Consultancy costs (7%)	53,430	35,620		89,051
Sub-total		671,325	781,011	151,476	1,603,812
Contingency @ 10%		52,520	61,273	61,273	175,066
Build Total		723,845	842,284	212,749	1,778,878

Recommendation

It is a recommendation to proceed with option 2, the build of two new studios.

Funding Source

Wherever possible, funding will be sourced from Strategic CIL. Thereafter, any shortfall will be acquired via Prudential borrowing.

Ongoing Impact

No detrimental impact to current operations is anticipated.

Milestones

Milestones	Month / Year	
Key Milestones	Start Date	End Date
House sparrows - nesting period - no site clearance	Apr-25	Aug-25
Funding request	Aug-25	Sep-25
Procurement - to appoint consultants	Oct-25	Oct-25
Appoint consultant	Nov-25	Nov-25
Design Process	Dec-25	Jan-26
Planning submission	Feb-26	Apr-26
Carry out reports and surveys	Mar-26	Apr-26
Production of building regulation and tender package	Apr-26	May-26
Building regulations approval	Jun-26	Jun-26
Procurement - tender process for main Contractor	Jun-26	Jul-26
Appoint Building Contractor	Aug-26	Aug-26
Mobilization	Sep-26	Sep-26
Site clearance	Sep-26	Sep-26
Building works on site - approx 6 months	Oct-26	Mar-27
Snagging and Practical completion	Apr-27	Apr-27

Approval Process

1.	Capital Briefing Board
2.	Pre-planning Application
3.	Overview and Scrutiny Board
4.	Cabinet Approval
5.	Planning Permission

Supporting Documentation

- Financial Business Case, created with assistance from Madeleine Horne and Acquilia Mudzingwa.
- M&E Feasibility and Budgeting Cost Report Prepared by Worldwide Limited
- Built Facilities Review
- Strategic Leisure Review

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Report subject	Two Riversmeet Studios
Meeting date	14 January 2026
Status	Public Report
Executive summary	The report details the feasibility and financial considerations for capital borrowing to fund a two-storey extension to Two Riversmeet Leisure Centre (2RM) to address the identified need for dedicated studio space in Christchurch. The investment aims to enhance the centres health and fitness offer, increase membership and income whilst supporting community wellbeing and aligning with the Councils corporate strategy.
Recommendations	<p>It is RECOMMENDED that Cabinet recommends to Council to:</p> <ul style="list-style-type: none"> a. Agree to option 2 approving the building of a two-storey facility extension at Two Riversmeet Leisure Centre (2RM) creating two brand new multi-use studios costing £1.8m, subject to planning permission. b. Notes the detail in the financial and legal implications. c. Delegates to the Director of Commercial Operations in consultation with the Portfolio Holder for Destination, Leisure and Commercial Operations, the implementation of this decision. <p>It is RECOMMENDED that Audit and Governance Committee recommend to Council:</p> <ul style="list-style-type: none"> d. Approval of an increase in the authorised borrowing limit of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.
Reason for recommendations	Enhancing 2RM Leisure Centre with dedicated studio space will allow for the centre under BCP Leisure to grow and develop enhancing the financial position by giving a fresh dedicated offer within Christchurch. The project aligns with the corporate strategy ensuring people can be active and healthy maximising opportunities for our communities.

Portfolio Holder(s):	Councillor Richard Herrett – Portfolio Holder for Destination, Leisure & Commercial Operations
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Amanda Barrie – Director of Commercial Operations Helen Wildman – Head of Leisure & Events Tom Powell – Leisure, Development & Partnership Manager
Wards	Christchurch Town
Classification	For Decision

Background

1. Two Riversmeet Leisure Centre (2RM) is one of ten BCP Council owned leisure centres and the only one located in Christchurch. Five of these are currently being operated in house as BCP Leisure.
2. 2RM is a multi-regional and national award-winning facility which is performing in the higher quartile against national competitors.
3. 2RM currently has no purpose-built studio facilities, which means the existing exercise class provision is restricted to using the sports hall and squash courts.
4. The Built Facilities review undertaken in 2022 was commissioned to identify needs, gaps and opportunities for sports provision across the BCP Council conurbation in order to inform the local plan. This identified 2RM as a key strategic leisure asset and that Christchurch required additional studio provision to meet the needs of residents.
5. An independent strategic leisure review was undertaken on 2RM in 2022 and identified the need for a dedicated studio noting the highest priority is to enhance the health and fitness offer. This is the main income generator and there is latent demand for improved facilities.
6. Sport England's Active Lives survey shows a significant uptake in exercise classes, with a 1.6% increase in participation year-on-year, confirming strong demand for studio-based activities (EMD UK, 2025).
7. A wider piece of work is currently underway with a Leisure Centre transformation across all of the 5 internally run leisure sites to be presented to Cabinet later in 2026 in a future paper considering key investment.

Options Appraisal

Option 1 – Do nothing

8. The option of do nothing will continue to run services at 2RM Leisure Centre through a mix of sports hall use and classes within the one area.

9. Whilst this still provides an acceptable offer for the leisure centre, it does not enable growth of membership or ability to utilise the service to aid retention and develop an inclusive timetable offer for the community.
10. The do nothing option does not promote active living or access to leisure.
11. Financially, the do nothing option does not allow for additional income to support the MTFP and has the potential to increase the financial pressure due to reduced members retention.
12. Significant resource would be required to develop strategies to match the potential income generation the new studio spaces would help deliver therefore the do nothing option has been discounted.

Option 2 – Take forward business case with £1.8m capital borrowing

13. The image below shows the proposed location for the two storey studios which would each measure 150m² and allow for between 30-40 capacity within a class for each of the two studios.

Image 1

2 Riversmeet Leisure Centre – Location Plan
Proposed extension for 2 studios.



14. The current class timetable and function hire is unable to be developed due to limited space within the current centre footprint. Whilst the existing sports hall offers the ability for classes, it prevents multiple use and a more diverse timetable to support wider community use and different fitness styles. Parties and private hire have the potential for expansion should there be more space to do so.
15. Dedicated studio space will provide members with a purpose-built environment for classes and support where we have introduced programmes such as Les Mills in the correct setting.
16. Group Exercise is one of the vital elements to a leisure membership and the quality of the timetable has an impact on retention of members. Ensuring 2RM has the space and ability to offer a wide variety of classes and timetables will assist in keeping retention high and therefore grow the service.
17. Income linked to the investment has been calculated on uplifts in membership and casual pay as you go class bookings alongside external facility hire, increased sports hall usage, holiday clubs and secondary income.

18. An 18% uplift in membership sales has been used in the calculations. UK Active 2025 reports an average annual membership growth of 6.1% across the sector without investment and therefore a realistic target with increased capacity and investment within the centre.
19. The financial assessment can be found in appendix 1 and details inclusion of a sinking fund to ensure any investment does not then put pressure on the MTFP further down the line in terms of maintenance.
20. Preplanning advice has been undertaken to inform a future planning application.
21. The proposed timeline, subject to planning permission, would be to begin construction from September 2026 aiming for a practical completion of July 2027.

Summary of financial implications

22. The financial appraisal assumes £255,000 additional income per annum which assuming an annual 2% inflationary price increase will result in a total additional income of £6.3 million over 20 years.
23. Additional operating costs and major repairs are calculated to be in the region of £47,000 per annum, also using 2% inflationary increase totalling £1.16 million over the 20 year life of this project
24. The borrowing costs calculated using 5.5% BCP low risk interest rate will be £186,782 per annum, a total of £3.7 million over 20 years.
25. The net surplus over the 20 year period is estimated to be £1.4 million or an average of £30,000 per annum in the first 3 years of opening increasing to £46,000 per annum with inflationary price increases.

Risks

26. The additional activity may not be as high as estimated, the model shows an annual initial surplus of £30,000 per annum therefore there is a tolerance level of nearly 12% on the assumed £255,000 income per annum before the scheme runs into deficit. Over the lifetime of the scheme, the tolerance level increases to 22% due to inflationary increases affecting income and expenditure, but fixed borrowing costs.
27. Further tolerance level within the council budgets overall, may be provided by any additional car parking income.
28. Interest rates variability may increase the cost of borrowing, the prevailing PWLB rate of 11 December 2025 is 5.88%, this would increase the cost of borrowing by £7,000 per annum reducing the initial annual average surplus to £23,000 per annum.

VAT Implications

29. Following the 2023 change in the VAT legislation, sports and leisure services provided by local authorities are no longer treated as exempt activities. Instead, they are classified as statutory non-business services. This means that the partial exemption no longer applies when investing into leisure centres. Additionally, 2RM Leisure Centre is opted to tax which means that any hire income not directly relating to sporting activities is subject to VAT at standard rate.
30. Based on the type of projected income streams following the completion of the new extension, none of the activities would be treated as exempt for VAT purposes. As a

result, all VAT incurred on the capital project will be fully reclaimable (subject to normal VAT rules, e.g. procurement by BCP and invoice addressed to the Council).

31. The table below details the overview of the capital investment and income generation

Table 1

Key Financial data - over 20 years		£000
Capital Outlay		1,779
Financial Viability		
New income over 20 years		(6,320)
New operational expenses over 20 years		917
Sinking fund for major repairs		248
Borrowing Requirement (repaid over 20 years asset useful life)		1,779
Interest on prudential borrowing (@ 5.5% over 20 years)		1,957
Net 20 year surplus		(1,419)
Projected Cashflow Summary		
Cumulative surplus over 3 year MTFP (2026/27 to 2028/29)		(89)
Cumulative surplus years 4 - 20 (2026/27 to 2041/42)		(1,330)
Net 20 year surplus (including Risk Premium)		(1,419)
Average surplus per annum - first 3 years (5.5% low risk interest rate)		(30)
Average surplus per annum - first 10 years (5.5% low risk interest rate)		(46)
Average surplus per annum - first 3 years (5.58% prevailing interest rate 11/12/25)		(23)
Average surplus per annum - first 10 years (5.58% prevailing interest rate 11/12/25)		(39)

Summary of legal implications

32. It remains necessary to comply with all relevant procurement requirements, including BCP Council's Financial Regulations and the Public Contracts Regulations 2015 and the Procurement Act 2023 (where applicable) for any other aspects of the works that are to be carried out by third parties under contract and purchase of equipment and/or materials.
33. In addition, it is necessary to comply with all requirements in respect of subsidy control, planning, Community Infrastructure Levy (CIL), any leases, property, Land Registry, land ownership, any contracts, funding conditions, funding applications, borrowing, capital borrowing, BCP Council's Constitution (including the Financial Regulations), [requirements of full Council], where applicable.

Summary of human resources implications

34. The staffing structure in terms of building management is already in place within the Leisure Centre and therefore will not require dedicated staff in addition to the duty management of the site.
35. Staffing requirements for classes are on a timetable basis with a mixture of casual and contracted staff undertaking these.

Summary of sustainability impact

36. The planning application will consider biodiversity, and the proposed timeline takes into account environmental factors such as nesting season between March and August.
37. During the construction phase best practice measures will be incorporated to sort and reuse materials generated by the demolition of the existing buildings/hardstanding etc, and where practicable new materials will be sourced locally.
38. The building will seek an improvement in the Fabric Energy Efficiency Standard over and above current Building Regulations. This measure will achieve a permanent improvement in Energy efficiency way beyond the life of any renewable energy source.
39. Overall, with the considered approach by the design team and client, the proposals will meet the requirements of Sustainability, as required and in accordance with paragraph 39 of the council's Local List of Requirements for planning applications.

Summary of public health implications

40. Taking forward option 2 will provide the opportunities for increased fitness and activity amongst residents and allow for development of class timetables to support a wide variety of classes for different abilities better delivering for community needs.
41. A wider choice and ability for specialist programmes will support the growth of the GP referral scheme and the transition of members from the referral into membership.

Summary of equality implications

42. An EIA conversation has been undertaken and reviewed by the Equality team.
43. Additional timetabling will allow greater consideration for the physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

Summary of risk assessment

Risk	Level	Mitigation
Financial – overspend or not meeting income targets	Medium	Project board to monitor financial reporting throughout work including the pre work on sales and marketing plan
Reputational – planning permission	Low	Pre-planning advice has been sort and recommendations taken forward ahead of planning application
Compliance	Low	A detailed project plan and project board will have governance and oversight on project to ensure compliance

Background papers

Built Facilities Assessment

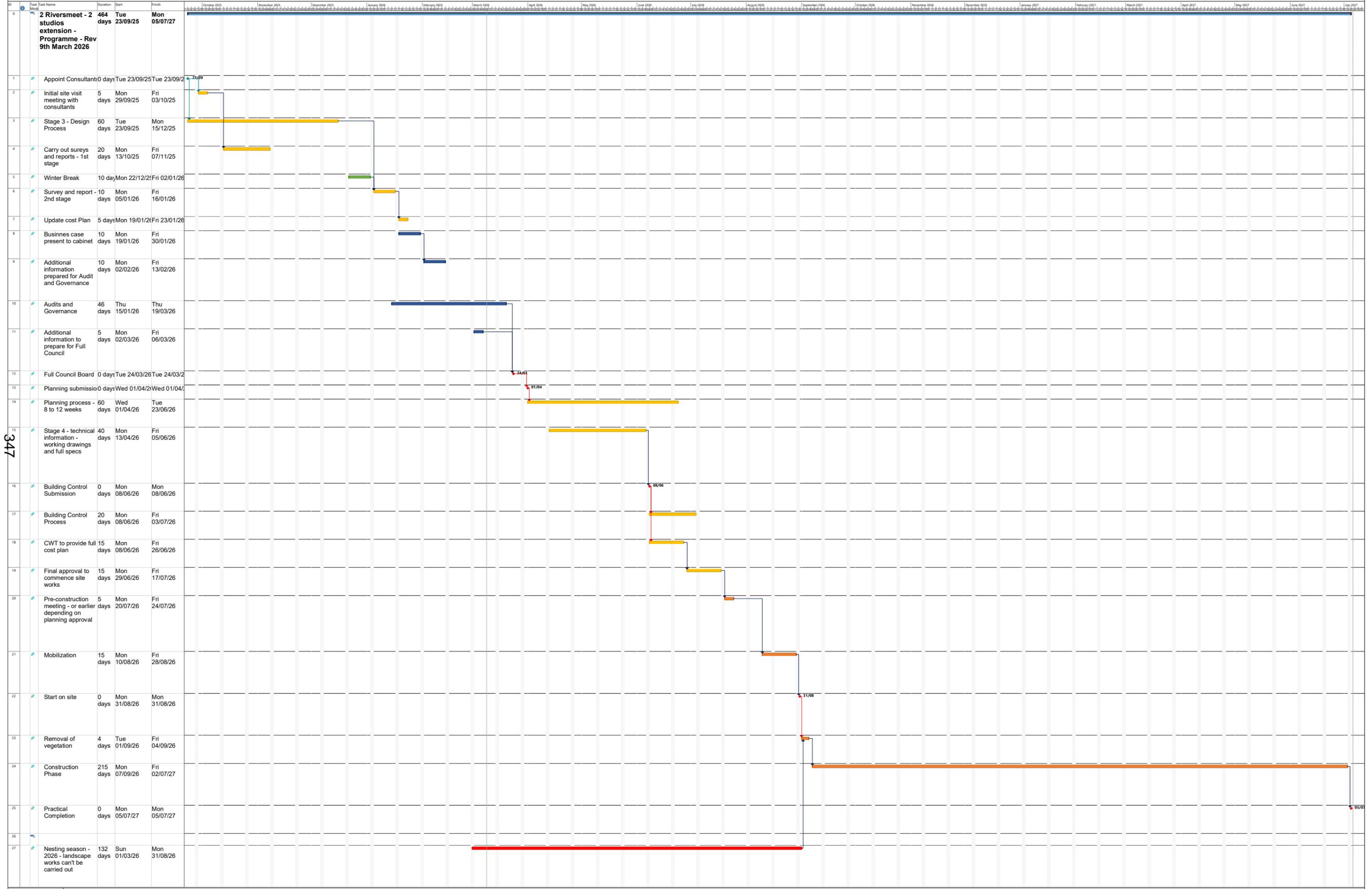
Appendices

Appendix 1 – Financial assessment

Appendix 2 – Feasibility report (exempt)

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2RM Studios - Benefits realisation register

Benefit	Type	Description	KPIs / Measures	Timing	RAG Status	Target KPI	Actual KPI	Variance	Owner
Increased membership income	Cashable	New studios increase centre capacity by c.16% (approx. 40,000 visit uplift).	Annual rolling membership levels and retention rates	Year 1 onwards		1,770		-1770	Head of Leisure & Events
Increased secondary income	Cashable	Additional studio spaces expand facility hire, pay-as-you-go, parties and ancillary spend.	Facility hire revenue; PAYG income; café/vending uplift	Year 1 onwards		£3,149,223		-£3,149,223	Leisure Development & Partnership Manager
Long-term surplus contribution	Cashable	Up to £1.4m surplus over 20 years.	Annual financial contribution vs. MTFP	Years 1-20		£1,400,000		-£1,400,000	Director of Commercial Operations
Avoided loss from doing nothing	Avoided cost	Prevents decline in membership and uncompetitive positioning.	Membership trajectory without investment	Immediate/ongoing				0	Director of Commercial Operations
Improved health & wellbeing outcomes	Non-cashable	Increased activity opportunities, especially for older adults and underserved groups.	% increase of participation rates across underserved groups	Year 1 onwards		10%		-0.1	Fitness Manager
Improved health & wellbeing outcomes	Non-cashable	Increased activity opportunities for GP referral transferrees	% increase in GP referral transition rates	Year 1 onwards		10%		-0.1	Fitness Manager
Improved health & wellbeing outcomes	Non-cashable	Increase in social value	% Increase in social value form Moving Communities	Year 1 onwards		15%		-0.15	Leisure Development & Partnership Manager
Enhanced community cultural offer	Non-cashable	Studios support dance, drama and cultural programmes.	Annual number of cultural sessions; participant feedback	Year 1 onwards		1,000		-1000	Leisure Development & Partnership Manager
Improved customer experience	Non-cashable	Modern, high-quality studio environment meets market expectations.	Customer satisfaction surveys, retention rates	Post-opening		90% retention		#VALUE!	Leisure Development and Partnership Manager
Stronger leisure portfolio	Non-cashable	Supports consistency across BCP-run leisure centres; positions 2RM competitively.	Net Promoter Score (NPS)	Ongoing		40		-40	Head of Leisure & Events
Sustainability gains	Non-cashable	Integration with BMS reduces inefficiencies and optimises energy use.	Energy consumption; BMS performance reports	Ongoing		TBC		#VALUE!	Facilities Management

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Forward Plan - Indicative for the 2026/27 municipal year
Meeting date	19 March 2026
Status	Public Report
Executive summary	This report sets out the indicative list of reports to be considered by the Audit & Governance Committee for the 2026/27 municipal year in order to enable it to fulfil its terms of reference.
Recommendations	<p>It is RECOMMENDED that:</p> <p>The Audit & Governance Committee approves the indicative Forward Plan for 2026/27 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 2026/27.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Recommendation Decision

Background

1. Good practice dictates that a forward plan should be agreed which sets out the reports to be considered by the Audit & Governance Committee over the next 12 months.

The Forward Plan

2. An indicative Forward Plan for 2026/27, as set out at Appendix A, has been produced to set out proposals for the forward management of reports to be considered by the Audit & Governance Committee in order to enable it to fulfil its terms of reference.

3. The Audit & Governance Committee should note that the plan does not preclude extraordinary items being brought before the Committee in consultation with the Chair and Vice Chair as necessary and appropriate, thus ensuring that Audit & Governance Committee business is consistent with the terms of reference.
4. Topics requiring this Committee's consideration within its terms of reference can be added at any time in the year or as they arise. These topics are generally shown in the 'Other Reports or Training Presentations' section of the Forward Plan, Appendix A, and depending on their nature are usually added to a meeting marked 'extra'. These additional reports/presentations are made available to the public with the meeting minutes.

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

12. Development and agreement of the Forward Plan by the Audit & Governance Committee enables it to fulfil its terms of reference.

Background papers

None

Appendices

Appendix A – Audit & Governance Committee – Indicative Forward Plan 2026/27

Audit & Governance Committee – Indicative Forward Plan 2026/27

REPORT	28 MAY 2026 (extra)	30 JUL 2026	3 SEP 2026 (extra)	15 OCT 2026	26 NOV 2026 (extra)	14 JAN 2027	25 FEB 2027 (extra)	25 MAR 2027
EXTERNAL AUDITOR'S REPORTS								
External Auditor – Audit Plan 2025/26	As required depending on agreed timetable and national issues							
External Auditor – Audit Findings Report 2025/26	As required depending on agreed timetable and national issues							
External Audit – Auditor's Annual Report 2025/26	As required depending on agreed timetable and national issues							
External Auditor – Audit Progress & Sector Update	As required depending on agreed timetable and national issues							
ANNUAL REPORTS								
Statement of Accounts 2025/26					✓			
Draft Annual Governance Statement 2025/26 and Annual Review of Local Code of Governance (1 update on Action Plan only)		✓				✓		
Chief Internal Auditor's Annual Opinion Report 2025/26		✓						
Annual Breaches of Financial Regulations Report & Procurement Decision Records (PDRs) 2025/26		✓						
Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2025/26		✓						
Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2025/26		✓						
Information Governance Update		✓						
Audit & Governance Committee Annual Report		✓						
Local Government and Social Care Ombudsman Annual Report 2025/26		✓						
Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2025/26				✓				
Emergency Planning & Business Continuity Update				✓				
Health & Safety Update				✓				
Fire Safety Update						✓		
Treasury Management Strategy Refresh/Approval for next financial year						✓		
Assurance Framework & Internal Audit Planning Consultation						✓		
Internal Audit Charter & Audit Plan - next financial year								✓
ANNUAL OR PERIODIC POLICY UPDATES								
Annual evolution of Policies for 2027/28: - 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 2027/28							✓	
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 may be deeper dive presentations rather than formal reports, as agreed by the Chair)								
Constitution Review Working Group	Meeting(s) to be determined during the year							

Governance and processes of Regeneration projects (with a focus on Carter's Quay)	✓							
Appointment of Independent Members	✓							
Risk Management Policy (deeper dive)	✓							
Council Owned Companies Shareholder Governance (deeper dive)			✓					
Artificial Intelligence – Governance and Risk Management (update)					✓			