

Notice of Audit and Governance Committee

Date: Monday, 27 January 2025 at 6.00 pm

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



Membership:

Chair:

Cllr M Andrews

Vice Chair:

Cllr E Connolly

Cllr S Armstrong
Cllr J Beesley
Cllr P Broadhead

Cllr M Phipps
Cllr V Slade
Cllr M Tarling

Cllr C Weight

Independent persons:

Lindy Jansen-VanVuuren

Samantha Acton

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

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

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=6259>

If you would like any further information on the items to be considered at the meeting please contact: Jill Holyoake on 01202 127564 or email democratic.services@bcpCouncil.gov.uk

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

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

GRAHAM FARRANT
CHIEF EXECUTIVE

17 January 2025

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

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

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



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

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

Bias Test

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

Predetermination Test

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

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

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

Selflessness

Councillors should act solely in terms of the public interest

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty & Integrity

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

Leadership

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

AGENDA

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

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

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

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

3. Declarations of Interests

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

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the meeting held on 28 November 2024.

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5. Public Issues

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

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

The deadline for the submission of public questions is midday on Tuesday 21 January 2025 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Friday 24 January 2025 [midday the working day before the meeting].

The deadline for the submission of a petition is Monday 13 January 2025 [10 working days before the meeting].

ITEMS OF BUSINESS

6. Statement of Accounts 2023/24

The External Auditor will provide a verbal update on progress. The written report will now be considered by the Committee at its 27 February meeting.

7.	Treasury Management Monitoring report for the period April to December 2024 and Treasury Management Strategy 2025/26	19 - 86
<p>This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2024 to 31 December 2024. A deficit of £2.2m is being forecast for the 2024/25 financial year as the Council continues to borrow to fund the accumulating deficit on its Dedicated Schools Grant (DSG) as pertaining to the excess special educational needs and disability service (SEND) revenue expenditure over the DSG High Needs block grant. Borrowing is also at higher-than-expected interest rates due to volatility in current debt costs.</p> <p>This report also presents the Treasury Management Strategy for 2025/26 with the relevant detailed strategy and the associated policies and practices document included as appendices. It should be highlighted the strategy inclusion of an assumption that Council, as part of the 2025/26 Budget setting process, will agree to a £60m SEND capitalisation direction to enable the forecast excess high needs expenditure in 2025/26 to be financed.</p>		
8.	Increased Borrowing - Hawkwood Road and Housing Delivery Council Newbuild Housing and Acquisition Strategy (CNHAS)	87 - 92
<p>To consider and recommend to Council, the 10 December Cabinet reports for Hawkwood Road and CNHAS Harbour Sail acquisition which seeks additional borrowing as part of the proposals.</p> <p>It is for Audit and Governance to be satisfied that the business cases are robust enough to generate resources to satisfy the associated debt repayments.</p> <p>PLEASE NOTE Should the Committee wish to discuss the detail of the exempt appendix the Committee will be asked to consider the following resolution to move into exempt session:</p> <p>"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 in Part I of Schedule 12A of the Act and that the public interest in withholding the information outweighs such interest in disclosing the information."</p>		
9.	Risk Management - Corporate Risk Register Update	93 - 166
<p>This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:</p> <ul style="list-style-type: none"> • All Corporate Risks were reviewed during the quarter. • CR24 – We may fail to adequately address concerns around community safety and environmental impacts. The risk owner has been updated for this risk. This risk is also to be split to separately identify a risk around environmental impact. • Key Assurance Risk Registers and Director Level Risk Registers were 		

reviewed during the quarter.

- A service update is provided.

Material updates for this quarter are outlined in sections 11.

10. Annual Governance Statement 2023/24 - Action Plan Update

167 - 174

This report provides an update against the Annual Governance Statement (AGS) Action Plan which identified actions to be taken to address the significant governance issues identified in the 2023/24 AGS.

Progress against the agreed action plan is as follows:

Best Value Notice – the Government has lifted the Best Value notice.

Dedicated School Grant (DSG) - The DSG deficit continues to increase, with the accumulated DSG deficit assumed to be £63.5m on 31 March 2024, £108m on the 31 March 2025, and £165.5m on the 31 March 2026. As part of a precursor to a s114 report the Director of Finance wrote to MHCLG in May 2024 to seek advice on how a legally balanced budget for 2025/26 can be set when it will be unable to settle the bills for DSG high needs expenditure. The conversation is ongoing with the possibility of a capitalisation direction being explored.

Department for Education Statutory Direction for special educational needs and disability services (SEND) – February 2024 – SEND

Improvement Plan continues to be delivered and progress monitored by the SEND Improvement Board and reported to Children's Services Overview & Scrutiny Committee. Significant progress is being evidenced.

Delay in the completion of the previous years' External Audit -

The 2023/24 Statement of Accounts (SoA) is being audited now and will be brought to this Committee for approval together with the Audit Findings Report to the next meeting of this Committee on the 27 February 2025.

Mandatory Training – the actions identified have been rolled out and completion rates had increased to 84% as of January 2025.

11. Assurance Framework & Internal Audit Planning Consultation 2025/26

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To comply with the Global Internal Audit Standards and the public sector Application Note and to ensure early consultation with the Audit & Governance Committee, This report outlines the BCP Assurance Framework and the 2025/26 Internal Audit Plan proposed approach.

The Assurance Framework (Appendix A) has been updated with some minor changes to reflect current organisational structure and governance arrangements.

The proposed 2025/26 Internal Audit Plan approach shows the amount of resource required to provide core audit & assurance work (includes high level risks, key assurance functions and key financial systems audits). Other work (includes investigations) is also planned to be carried out alongside corporate assurance (includes corporate fraud) and governance

work (includes annual governance statement).

The primary change for the 2025/26 Audit Plan is a slight reduction in resources due to decreasing audit apprentice positions from three to two during the year, offset by adding two career auditor roles. However, available time for Core Audit & Assurance work has increased due to the transfer of the council tax single person discount project and reduced apprentice training.

The proposed work in the draft 2025/26 Audit Plan has been designed to enable the Head of Internal Audit to provide an annual conclusion on the Council's governance, risk management and control arrangements.

12. Internal Audit - 3rd Quarter, 2024/25, Audit Plan Update

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This report details progress made on delivery of the 2024/25 Audit Plan for the 3rd quarter (October to December 2024 inclusive). The report highlights that:

- 14 audit assignments have been finalised, including 11 'Reasonable' and 3 'Partial' audit opinions;
- 25 audit assignments are in progress, including 3 at draft report stage;
- Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion;
- Total additional council tax yield of £654,042 has resulted, to date, from the Single Person Discount pilot project;
- 8 'High' priority audit recommendations have not been fully implemented by the original target date. Explanations from respective services have been provided and revised target dates have been agreed.

13. Forward Plan - Refresh for the 2024/25 municipal year

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This report sets out the refreshed list of reports to be considered by the Audit & Governance Committee for the 2024/25 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.