

Notice of Audit and Governance Committee



Date: Thursday, 28 May 2026 at 6.00 pm

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

Membership:

Chairman:

Cllr E Connolly

Vice Chairman:

Cllr M Andrews

Cllr S Bartlett

Cllr J Beesley

Cllr M Phipps

Cllr J Salmon

Cllr V Slade

Cllr M Tarling

Cllr T Trent

Independent persons:

Vacancy

Vacancy

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=6434>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services on 01202 096660 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

19 May 2026

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

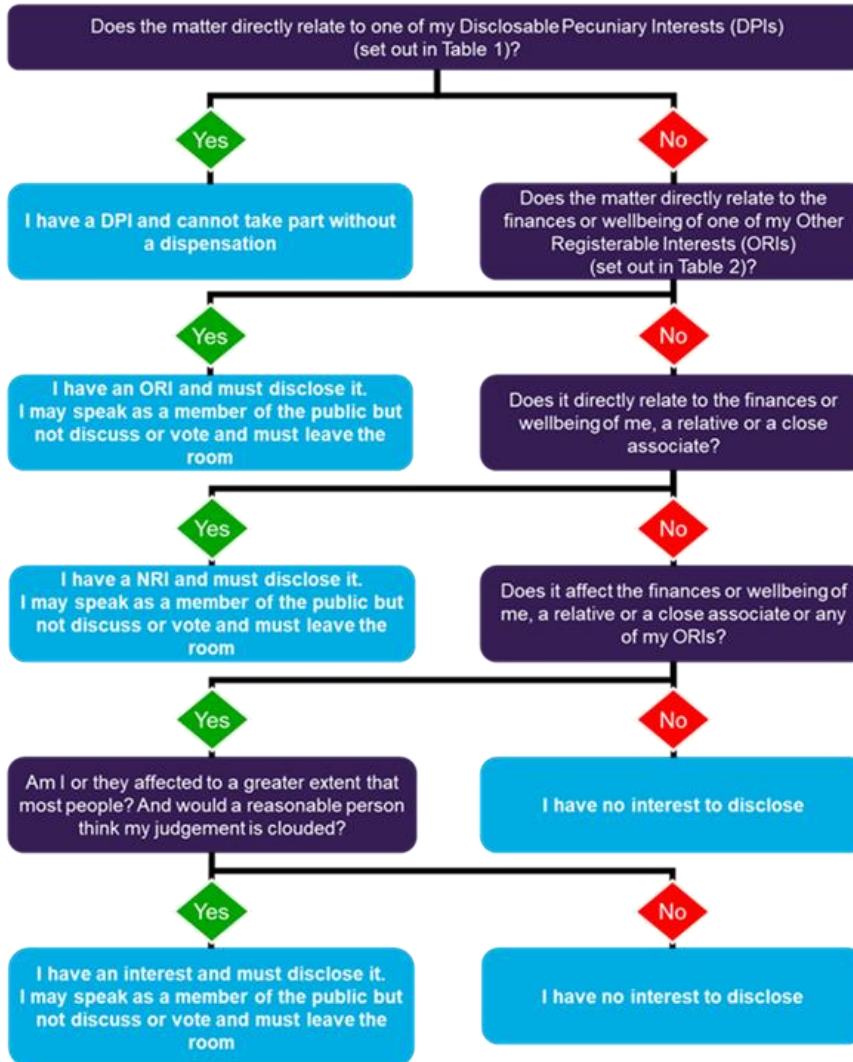


Maintaining and promoting high standards of conduct

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. Election of Chair

To elect the Chair of the Audit and Governance Committee for the 2026/2027 Municipal Year.

4. Election of Vice Chair

To elect the Vice Chair of the Audit and Governance Committee for the 2026/2027 Municipal Year.

5. 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.

6. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the meeting held on 19 March 2026.

To seek the Committee's agreement to correct the following typographical error in the minutes of the meeting held on 26 February 2026:

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

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.

* amend to read "£120,001"

5 - 18

a) Action Sheet

To consider any outstanding actions from previous meetings.

19 - 22

7. Public Issues

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

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

The deadline for the submission of public questions is midday on Thursday 21 May 2026 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 27 May 2026 [midday the working day before the meeting].

The deadline for the submission of a petition is Wednesday 13 May 2026 [10 working days before the meeting].

ITEMS OF BUSINESS

8. External Auditor – Audit Progress & Sector Update

23 - 50

Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to the Audit & Governance Committee on their progress to date in delivering their responsibilities. The report provides an update on their audit work.

9. Appointment of Independent Members

To receive a verbal update on the appointment of Independent Members.

10. Exclusion of Press and Public

In relation to the items of business appearing below, the Committee is asked to consider the following resolution: -

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

11. Governance Process for regeneration (Carters Quay)

51 - 68

This report sets out a review of the Carter's Quay acquisition as requested by Audit and Governance Committee in July 2025 with a focus on the Council's governance processes for regeneration projects.

No other items of business can be considered unless the Chairman 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 19 March 2026 at 6.00 pm

Present:-

Cllr E Connolly – Chair

Cllr M Andrews – Vice-Chair

Present: Cllr S Armstrong, Cllr S Bartlett, Cllr L Dedman (In place of Cllr M Phipps), Cllr B Nanovo (In place of Cllr M Tarling), Cllr E Pankhurst (In place of Cllr V Slade), Cllr T Slade (In place of Cllr J Beesley) and Samantha Acton

Present
virtually: Lindy Jenson-VanVuuren

Also in
attendance: Cllr M Cox, Cllr J Hanna, Cllr R Herrett

107. Apologies

Apologies were received from Cllr J Beesley, Cllr M Phipps, Cllr V Slade, Cllr M Tarling and Cllr T Trent.

108. Substitute Members

Notification was received of the following substitute members for this meeting: Cllr T Slade for Cllr J Beesley, Cllr L Dedman for Cllr M Phipps, Cllr E Harman for Cllr V Slade, Cllr B Nanovo for Cllr M Tarling.

109. Declarations of Interests

There were no declarations of interest.

110. Confirmation of Minutes

The minutes of the meeting held on 26 February 2026 were agreed as an accurate record for the Chair to sign.

Voting: Unanimous

111. Action Sheet

The completed actions on the action sheet were noted. The Chair confirmed that the actions arising from the FuturePlaces investigation would be addressed when the final report was considered by the committee. In the meantime it was agreed to transfer these actions to a separate sheet with a status of 'in progress'.

112. Public Issues

The following public questions and statements were received:

Question from Mr Alex McKinstry on Agenda Item 6 – External Audit – Auditor’s Annual report 2024/25 final and Agenda item 14 – Forward plan

The external auditor's report includes an **improvement recommendation concerning governance**: that an action plan be devised to address the eighteen recommendations arising from the FuturePlaces investigation. I'm surprised, therefore, to find no FuturePlaces-related meetings included in tonight's forward plan.

Can the Chair give an assurance that at least one such meeting will take place; and will the following matters also be up for debate at that meeting:

(1) Any responses to the letters sent to FuturePlaces stakeholders in December;

(2) The replies to the numerous concerns raised by Committee members in meetings? (These have been provided as annotations to the action sheets since 27 November - but the Committee doesn't seem to be aware of this; and as the action sheets aren't classed as "items of business", public statements on these responses haven't been submissible.)

Finally, will the aforementioned correspondence with FuturePlaces stakeholders be published?

Response:

At least one further meeting is likely to take place on Future Places. The timing of this meeting will be discussed with the Committee when appropriate. The form and content of the material presented will depend to some extent on responses received from Future Places stakeholders. The meeting will allow for discussion of the final report ahead of making recommendations to Full Council. The intent of the Future Places investigation throughout has been to publish as widely as reasonably possible, subject to the normal constraints.

Questions from Mr Ian Redman on Agenda Item 8 – Procurement & Contract Management Strategy Delivery Plan:

(1) Has the Council considered the practical burden its procurement processes place on small local businesses?

The Invitation to Tender for a recent Mudeford concession was **42 pages long**, which a bidder must read simply to understand how to submit a bid. A small trader wishing to operate a single refreshment van was then required to complete **four separate submissions**: the Procurement Specific Questionnaire, Form of Tender, Pricing submission and a detailed Quality submission. The Quality section alone required extensive written responses on areas such as business planning, staffing, marketing, sustainability and experience, potentially running to dozens of pages.

For a small local operator without dedicated bid-writing staff, this represents many hours, often days, of unpaid work just to submit a bid.

Does the Council recognise that such processes create a real barrier to small local businesses, and what specific steps has it taken to simplify procurement and reduce unnecessary paperwork?

Response:

The Council does consider the practical burden its procurement processes place on small local businesses, indeed Procurement Act 2023 is geared to be supplier friendly as far as reasonably practicable whilst maintaining transparency, equal treatment and fairness alongside value for money, integrity, and public benefit. With reference to the procurement of concessions at BCP, the Council has reviewed and clarified procedures and communicated internally that Mobile Traders are out of scope of rules relating to the procurement of 'concessions'. Mobile Traders are subject to pitch fees however such fees are calculated. Services should lead on the sourcing of mobile trading operators. Services will of course maintain focus on transparency, equal treatment and fairness alongside value for money, integrity, and public benefit.

For the avoidance of doubt, 'Mobile Traders' is taken to mean third parties who utilise BCP's ground for their operational footprint in combination with their own privately owned assets (i.e. they install their equipment within a designated ground pitch [be it on a high street / car park, or a patch of grass in a park, sand on a beach and so on] and they sell product). This includes:

- food and/or beverage at street / park / seafront settings,
- goods or services at a specific events - such as fairs, concerts, sporting events, festivals, and other large gatherings and typically involving food, beverage, merchandise, massage or other goods / services tailored to the event's audience.

(2) In November I asked to provide coffee at the Kings Park parkrun over the Christmas period — a time-limited four-week trial. The proposal was small in scale (around three hours on Saturday mornings), non-exclusive, and included a commitment to donate 10% of sales toward funding a bench in the park.

Council officers stated that the proposal could not proceed because it would need to be offered out to other traders, and Procurement was later cited as supporting that position. However, the proposal was only for a very short, low-value trial.

If this interpretation is correct, it could affect many small businesses and may prevent innovative ideas or small-scale trials that help grow the local economy.

What specific regulation, policy, or legal requirement prevented officers from approving a short trial of this kind?

Response:

There is no specific regulation, policy, or legal requirement that prevented officers from approving a short trial of this kind.

Statements from Mr Philip Gatrell on Agenda Item 6 – External Audit – Auditor’s Annual report 2024/25 final

(1) “2014 ACT”

On 26th February 2026 the external auditor referenced my Statement to this Committee when saying - quote - I “was factually incorrect” the firm “hadn’t considered” my Objection.

I did not state that nor that my Objections had “been ignored”. Nonetheless I perceive tardy resolution.

Regarding the 2014 Act processes and related National Audit Office Code (Code):

- My Objections were submitted within time by 8th August 2025 and accepted 12th September 2025.
- My Questions were submitted within time though by default not answered; warranting explanatory analysis beyond the scope of these 150 permitted words.
- The Code states:

“Where the auditor is not able to decide the objection within six months, they should inform the objector and the authority and provide a further update on progress every three months until the objection is decided.”

My Public Issues on and since 16th October 2025 identify limitations in the 2024/25 external audit. The next two Statements record events and actuality.

(2) 2024/25 EXTERNAL AUDIT CONCLUSION

My preceding Statement identifies basic misunderstandings concerning 2014 Act obligations.

Finalised Statement of Accounts page 132 includes the auditor’s Report wording dated 27th February 2026 stating the audit cannot be formally concluded because - for example - Objections are under “consideration”.

Regarding the preceding Statement:

- The Code is implicit that timely notice is sent in writing direct to registered local government electors regarding progress and Objection resolution, as was the auditor’s 2023/24 practice. There is no onus on Objectors to view Council meetings or impersonal reports online to obtain that information.

- The 1st November 2025 interim and 27th February 2026 final reporting packs include “2024/25 outcome” sections regarding “Use of auditors powers”. The narrative such as “we have not made any written declarations ...” could - in a 2014 Act context - be construed as applying to not only auditor Findings but also electors’ Objections.

The latter consideration apart my following Statement records reporting omissions and concerns.

(3) 2024/25 REPORTING OMISSIONS

The Code clarifies that materiality is not exclusively measured in monetary terms, because reportable “significant” matters also have qualitative values as can arise from governance and internal control failures.

Related concerns include draft Accounts note 16 net positive bank balances of £4,794,000 metamorphosis to an overdrawn £21,429,220 as explained in my 15th January 2026 Statement #1. However - contrary to earlier intimations - the final Audit Findings INCONSISTENTLY OMIT this particular “material” revision.

The auditor’s 2014 Act powers are not limited to Public Interest Reports and court declarations and include written recommendations.

Protocols preclude discussion of Public Statements but not an auditor’s remediation statement today regarding SPECIFICALLY the following.

My 15th January 2026 Statement #2 identifies £52,618 banked “Deputyship” funds apparently misspent when the Council’s account was confirmed as overdrawn. Regarding my Objection these trust funds were temporarily treated as “cash” balances pending “investigation”. Final Accounts note 16 is silent on the matter.

Statement from Mr Ian Redman on Agenda Item 8 – Procurement & Contract Management Strategy Delivery Plan*

The Procurement report reads as something produced to fulfil a reporting requirement, rather than to provide meaningful information or assurance to those charged with governance.

The report presents activity rather than evidence of improved procurement governance or outcomes. Key performance measures rely on percentages without supporting base data, which significantly limits their value and prevents effective scrutiny. For example, a reduction in SME contracts from 48% to 46% provides no meaningful insight without the actual number of contracts or explanation of the underlying change.

The report lacks transparency and depth. The 57 commitments are not clearly set out, there is no breakdown by service area, and there is minimal analysis of procurement risk.

Procurement sits at the heart of financial control and good governance. Reports of this standard raises serious concerns about the effectiveness of oversight.

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

Barrie Morris and Roz Apperley, representing Grant Thornton, the Council's External Auditor (EA), 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.

An interim version of the 2024/25 Annual Report had been presented to the Committee on 27 November 2025. The final report for the year ending 31 March 2025 was now presented at Appendix A of the report. The findings were unchanged and provided for information. As previously reported two key recommendations had been raised in relation to the cumulative DSG deficit and the statutory direction in relation to SEND. A further four improvement recommendations had been made. The Council had provided the External Auditor with management responses to all of the recommendations.

The EA representatives responded to questions and comments on the report. As previously explained the only reason why a disclaimer opinion had been issued was because of the impact of the Backstop on the 2022/23 financial statements. With regard to governance findings, the EA referred members to the commentary on governance arrangements in the report and highlighted that no significant weaknesses had been found. Four improvement recommendations on areas of governance had been made.

The EA explained that all recommendations in the report were followed up as part of its work on the 2025/26 arrangements. The Interim Chief Financial Officer confirmed that these were 'live' recommendations which officers referenced throughout the year. The Committee agreed that it would be helpful to track the recommendations in the report by receiving an update on progress in the summer.

RESOLVED that the 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).

Voting: Agreed with no dissent

114. External Auditor – Audit Plan 2025/26

Barrie Morris and Roz Apperley representing Grant Thornton, the Council's External Auditor (EA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

Appendix A of the report set out the work that the EA planned to undertake for the audit of the Council's Statement of Accounts for 2025/26. The EA planned to give an opinion on whether the accounts gave a true and fair view and whether the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Key points highlighted by the EA included the actions required to ensure the Statement of Accounts was completed by the earlier deadline of November 2026 and the EA's approach to materiality. It was noted that the significant risks were unchanged. An additional risk was identified in relation to a new requirement to index non-current assets for the first time. The EA thanked the Council's finance team for their responsiveness to the Audit Plan to date.

The EA representatives responded to questions and comments on the report. As previously explained, there was now an increased level of assurance around the timely completion of the Dorset County Pension Fund audit. The EA explained in more detail the factors considered when setting its approach to materiality and the different financial thresholds involved. Committee members sought assurance on the timescales for delivering an undisclaimed audit opinion. The EA outlined the steps being taken with the Council to rebuild assurance over time. The additional work required on local audit recovery was being supported by a Government grant and it was possible that recovery may be achievable by 2028/29, if not before. The focus for 2025/26 was working towards the November 2026 completion deadline. The Portfolio Holder for Finance commented on the SEND shortfall and the recent departure of the Council's Section 151 Officer.

RESOLVED that the Audit & Governance Committee notes the Grant Thornton External Audit Plan 2025/2026 for the Council.

Voting: Agreed with no dissent

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

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

The report provided an update on the Procurement and Contract Management Strategy Delivery Plan which had been approved by the Procurement and Contracts Board. Updates were provided to the Audit and Governance Committee at six-month intervals. The report outlined the good progress made in delivering the 57 commitments described within the Strategy. The report also provided performance monitoring indicators for the nine measures described within Section 5.5 of the Strategy. It was noted that the report included the level of detail previously requested by the Committee. Members were assured on the levels of governance in monitoring progress which included monthly meetings with the Portfolio Holder for Transformation, Resources and Governance and regular

presentations to the Board. It was noted that a report on social value was due to be considered by Cabinet in May 2026.

The Portfolio Holder thanked the Head of Procurement and Contract Management and his team for the report and advised that it was a matter for the Committee to provide officers with a steer on the level of detail required.

The Head of Procurement and Contract Management responded to questions and comments on the report. He referred in more detail to the procurement and contract procedure rules which formed part of the Council's Financial Regulations. He explained that items with an estimated value greater than £30,000 required consultation with the Procurement team from the outset. For items between £5,000 and £30,000, officers were required to follow the standard procurement procedure published on the intranet. He was asked how feedback from suppliers informed the process. He confirmed that engagement work was included in the delivery plan and did take place but would be subject to further development once the current work on social value was completed. It was noted that certain activities did not fall within the scope of procurement and were matters for individual service areas to deal with.

The Chair indicated that it may be useful to undertake a deep dive into the experience of SMEs (small/medium sized enterprises) in navigating their way through the procurement process and suggested this be further considered when discussing the Forward Plan. It was noted that SMEs, micro businesses and sole traders had distinct definitions. Members were reminded of the need to focus on governance when considering further work for the committee.

A Member referred to the link between procurement and the Transformation Programme and felt that the Committee should review the information it asked for in the report, particularly around the measurement of savings attributable through effective procurement.

RESOLVED that:

- (a) the Audit & Governance Committee notes the update provided with respect to delivery of BCP's Procurement and Contract Management Strategy 2024 – 2028;**
- (b) the Audit & Governance Committee notes performance against the nine measures described within Section 5.5 of BCP's Procurement & Contract Management Strategy 2024 – 2028.**

Voting: Agreed with no dissent

116. Risk Management - Corporate Risk Register Update

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.

The report provided an update on the position of the Council's Corporate Risk Register. The main change during the quarter was the addition of CR08 ("We may fail to run a fair and open election/referendum"). No risks had been removed or de-escalated during the quarter. Material updates were outlined in section 13 of the report.

The Portfolio Holder for Destination, Leisure and Commercial Operations explained that CR27 was likely to remain on the risk register despite the allocation of Council funding for cliff stability works, due to ongoing changes in weather patterns. The Portfolio Holder for Finance indicated that CR23 also remained a risk due to the need to plan to meet the cost of the residual Dedicated Schools Grant deficit from Council resources.

The Risk and Insurance Manager was asked about the use of a risk radar and whether emerging risks were included in the report. She confirmed that emerging risks were considered and could be reflected in future reporting. Part of the team's role was to undertake continuous "horizon scanning" to identify issues that may give rise to risk for the Council. The Chair suggested that further consideration may wish to be given to a horizon scanning exercise. In response to a question on CR04, it was agreed to circulate by email further information on how the Council was mitigating the risks associated with cybersecurity.

The Head of Audit and Management Assurance (HAMA) explained that the Council's new Risk Management Policy had introduced a new level of 'Enterprise Risks' which sat at the top of the risk framework. This would be implemented with a phased approach and Members were assured that there were no plans to change the level of detail reported to the Committee. He indicated that he could discuss further information about dashboards if required outside of the meeting.

A Member expressed frustration at the work still required to deliver adequate customer interfaces following the closure of the Transformation Programme (CR18), the reputational risk this posed to the Council and the impact on the vulnerable, particularly in the processing of blue badge applications.

RESOLVED that Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.

Voting: Agreed with no dissent

117. Internal Audit - Audit Charter & Audit Plan 2026/27

The Deputy Chief Internal Auditor (CIA) 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.

This report set out the Internal Audit Charter and the Audit Plan for 2026/27. Approval of these documents by the Committee was a

requirement of the Global Internal Audit Standards (GIAS). Minor amendments had been made to the Internal Audit Charter (Appendix A of the report), including an updated Internal Audit Strategy and an updated Data Analytics Strategy. The final Internal Audit Plan for 2026/27 included some very minor amendments to the version provided to the Committee in January 2025. In addition, further details were provided in the appendices to the report on how the resource would be allocated as described in the Core Audit Plan 2026/27, Provisional audits for 2026/27 and the Anti-Fraud & Corruption Plan 2026/27.

The Deputy CIA responded to questions and comments on the report. It was noted that the planned audit listed for Awabbs Law (damp and mould) would be reviewed before commencement to ensure any duplication was avoided. It was confirmed that the three Adult Social Care provisional audits would cover shared lives, supported living placements and the autism team. It was also confirmed that an external quality assurance review was planned for 2026, arrangements for this would be reported to the Committee.

The Deputy CIA explained that preliminary scoping was not included in the audit plan as this engagement was normally carried out immediately prior to the start of the audit for the purposes of operational efficiency. It was noted that audits did sometimes overlap into the other side of the financial year. The audit plan now operated on a rolling basis as part of a more dynamic, best practice approach to audit planning. In response to a concern about a proposed reduction in audit days for the planned audit for ‘communities and safety’ the Committee was assured that resource allocation could be adjusted to increase in one area and decrease in another as required. It was confirmed that further details of each audit would be included in future quarterly reports once the consultation was completed.

The Deputy CIA indicated that challenges from committee members provided welcome assistance to the Internal Audit team in reviewing and improving process.

RESOLVED that the Audit and Governance Committee:

- **approves the Internal Audit Charter and agrees that the Chair signs the document to record this approval (this may be a virtual sign off using email)**
- **approves the Internal Audit Plan 2026/27 including the detailed breakdown of quarter 1 audits**
- **notes 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.**

Voting: Unanimous

118. Internal Audit - Quarterly Audit Plan Update

The Deputy Chief Internal Auditor (CIA) 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.

This report detailed 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 would be included in the 2026/27 Quarter 1 report. The Deputy CIA provided an update on the partial assurance finding on passenger transport since the report's publication, to confirm that the high priority recommendation had now been implemented.

The Deputy Chief Internal Auditor and Head of Audit Management Assurance (HAMA) responded to a query about how the progress of audits were presented in the report. It was noted that field work was agreed at the start of each audit and that progress continued to be updated following the report's publication. It was noted that the information referred to was included in the CIA's annual report but could also be presented on a rolling basis in the quarterly update reports for clarity purposes.

Committee Members agreed to request further explanation and assurance from the relevant Service/Corporate Directors on all recommendations listed in Appendix 1 with an implementation date of 31 March 2026 should these remain not implemented by the next meeting on 28 May 2026.

RESOLVED that the Audit and Governance Committee:

- a) **Notes progress made and issues arising on the delivery of the 2025/26 Internal Audit Plan.**
- b) **Notes the explanations provided for non-implemented recommendations (Appendix 1) and determines that further explanation and assurance from the Service / Corporate Director is required as indicated in discussion.**

Voting: Agreed with no dissent

119. Two Riversmeet Studios

This item was partially restricted by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Exempt information – Category 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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

The report provided additional information requested by the 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 aimed to enhance the centre's health, fitness and cultural offer, increase membership and income whilst supporting community wellbeing and aligning with the Council's corporate strategy.

Committee members asked a range of questions around the assumptions in the business case including the case for change and whether the project was realistic, affordable and deliverable. In terms of the Committee's specific remit, some members expressed concerns about the risks involved in repaying the borrowing. They felt that the investment was premature and queried why the project wasn't included in the forthcoming wider strategic review of BCP leisure centres. They asked how the projected increase of 15% had been calculated when sector growth was only 6%. They were also concerned about the impact of global events on the deliverability of the project and the potential for costs to rise due to increased construction costs and uncertainties around interest rates and inflation. Other members spoke in support of the proposal as it was presented in the report and commented that it would never be possible to eliminate risk entirely.

The Portfolio Holder and the Head of Leisure and Events provided the following information in response to the concerns raised:

- The projected additional income was based on 50% membership – this included new members and an increase in retention of current members – and a 50% mix of facility hire, pay as you go (PAYG) users and secondary spend.
- Assumptions were based on national leisure trends, current membership levels, competitor analysis, customer insights at 2RM and professional experience and judgement. It was noted that 2RM had waiting lists and was currently having to turn away customers wanting to use the sports hall.
- It was confirmed that 2RM did not yet operate on a cost neutral basis and that further work was required to bring down the subsidy.
- Improved facilities would attract more members and membership would be more cost effective than PAYG (on a like for like basis).
- The business case had been developed taking into account population and demographic at the current time but with the knowledge of an increasing population and changing demographic.
- Appendix 8 gave details of the built in contingency of 20% for build costs. This had increased from a 10% contingency in the original business case to respond to the most up to date information and was still being refined.
- Best/worst case scenarios were set out in the report. The sensitivity analysis was included as an exempt appendix to offer further information and assurance.
- The governance structure was detailed in the report. It was noted that there would be a series of milestones throughout the project and

an ongoing monitoring of risk. It was confirmed that the project could be halted if necessary, prior to construction.

- The preferred option would deliver the highest long term financial return and had a positive impact on the Medium Term Financial Plan. The ‘Do Nothing’ option was deemed to present the highest long term risk.

In order to discuss the exempt appendices the Committee agreed to pass the following resolution:

RESOLVED 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.

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

Note: Cllr M Andrews wished to be recorded as voting against the above resolution.

Following the discussion on exempt matters, the meeting resumed in public session.

In response to a query the Interim Chief Financial Officer confirmed that his team had worked from a financial perspective with the leisure team on the proposal and were content with the robustness of business case as presented, with a caveat that specific issues such as leisure memberships, although evidenced, were not his team’s area of expertise.

In general terms there was support from Committee members for the principle of improving leisure facilities in Christchurch and an acknowledgment of the community benefits this would bring. There was also an appreciation of the work and commitment of the project team in bring forward the proposal. However, views differed in terms of whether or not they felt able to support the recommendation in the report. Some felt that a strong case had been made financially and that there was sufficient governance and risk management in place for it to make good business sense to proceed. Others questioned the subjectivity of the assessment and the achievability of the assumptions and felt that the risks were too great, particularly in light of current economic uncertainties.

RECOMMENDED to Council the approval of authorised borrowing of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.

Voting: For – 4, Against – 3, Abstain – 1

120. Appointment of Independent Members

The Head of Audit and Management Assurance gave an update on the process to follow in shortlisting and appointing independent members following the receipt of expressions of interest by the closing date.

Cllr S Armstrong and Cllr M Andrews indicated their willingness to be part of the interview panel.

The Chair on behalf of the committee thanked the two outgoing independent members, Samantha Acton and Lindy Jansen VanVuuren, for giving excellent challenge and input to the committee over the last three years.

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

The Head of Audit and Management Assurance (HAMA) and the Chair presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

This report set 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.

Items to add to the Forward Plan were agreed as follows:

- At least one item on FuturePlaces, scheduling to be confirmed but could be May or July 2026 depending on complexity and/or other agenda items
- Risk Management Policy – extended discussion with Director on corporate risk register items relating to Children’s Services (Overview and Scrutiny committee members to be invited)
- Procurement and Contract Management deeper dive into process for SMEs
- Governance of the Lower Central Gardens
- Governance in relation to ‘invest to save’ decisions

RESOLVED that the Audit & Governance Committee approves the indicative Forward Plan for 2026/27 as set out at Appendix A.

Voting: Agreed with no dissent

The meeting adjourned between 9.23pm and 9.33pm
The meeting ended at 10.16 pm

CHAIR

Minute no	Item	Action Items remain until action complete	Who	Outcome
Meeting date: 19 March 2026 (core meeting)				
113	External Audit – Auditor’s annual report 2024/25 final	Committee agreed that it would be helpful to track the recommendations in the report by receiving an update on progress in the summer.	EA & CFO	
116	Risk Management - Corporate Risk Register Update	In response to a question on CR04, it was agreed to circulate by email further information on how the Council was mitigating the risks associated with cybersecurity.	R&IM to facilitate with risk owner	Complete – sent to the Committee w/c 18/5/26
121	Forward plan	Items added to Forward Plan: <ul style="list-style-type: none"> • At least one item on FuturePlaces, scheduling to be confirmed • Risk Management Policy – extended discussion with Director on corporate risk register items relating to Children’s Services (Overview and Scrutiny committee members to be invited) • Procurement and Contract Management deeper dive into process for SMEs • Governance of the Lower Central Gardens • Governance in relation to ‘invest to save’ decisions 	HAMA	Complete added to Forward Plan <ul style="list-style-type: none"> • FP=July/Sept • Risk=July/Sept • Procurement and CM for SME’s = Sept • Gov. of Lower Gdns = Nov • Gov. of ‘invest to save’ = Nov
Meeting date: 26 February 2026 (non-core meeting)				
97	Action Sheet	Invite Cllr Bartlett to relevant meeting of Constitution Review Working Group (CRWG) when public issues discussed	Chair / DS	Complete – Cllr Bartlett is being invited to all relevant CRWGs
99	Two Riversmeet Studio	Members to email any questions on report to Chair for collation and forwarding to officers	Chair and committee members	Complete – deferred report and questions considered by committee on 19.3.26

Minute no	Item	Action Items remain until action complete	Who	Outcome
101	External Audit Finding report and SoA 2024/25	Consider adding an item to the Forward Plan on cybersecurity	Committee	The Chair has agreed a briefing paper will instead be circulated later in the year (approx. Sept26) due to the sensitive nature of this subject matter
		Request Head of People and Culture to circulate to committee members details of six exit packages for the £120,001 and above cost band and above 2024/25	Head of People & Culture and HAMA	Complete – email sent to committee 14.4.26
103	Risk Management Policy	Raise awareness of new Risk Management Policy with Overview and Scrutiny Chairs	Chair	
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	
Meeting date: 16 October 2025 (core meeting)				
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)*	Chair	Chairs have discussed with each other and with officers the most effective way of facilitating.

Minute no	Item	Action Items remain until action complete	Who	Outcome
		*At subsequent committee on 15.1.26 it was agreed to include the partial audit opinion on Out of Borough Placements in this discussion.		Committee has agreed to add item to Forward Plan (see 121 above)
Meeting Date: 24 July 2025 (core meeting)				
21	Information Governance	Update committee on the review by leadership team of the function of IG Information Governance within BCP Council	MO	Scheduled in Forward Plan for Oct26
33	Forward Plan	Liaise with Chair on scheduling of Ombudsman reports	MO	Scheduled in Forward Plan for Oct26

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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 Auditor – Audit Progress & Sector Update
Meeting date	28 May 2026
Status	Public Report
Executive summary	<p>Grant Thornton, as the Council’s appointed External Auditors, have produced a report (Appendix A) which provides an update to the Audit & Governance Committee on their progress to date in delivering their responsibilities.</p> <p>The report provides an update on their audit work. Key points of note are:</p> <p>Financial Statements Audit 2025/26</p> <ul style="list-style-type: none"> • The planning and risk assessment for the 2025/26 audit was completed between February and April 2026, with the resulting Audit Plan approved by the Audit & Governance Committee on 19 March 2026. • Planning work covered the design effectiveness of key systems and processes, identification of audit risks, and early testing in areas such as operating expenditure and fees and charges income. • Audit fieldwork is scheduled to begin in late June 2026, subject to the draft financial statements being published. • A draft timeline and detailed workplan were shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline is expected to be met. • Given the disclaimed opinion since the 2022/23 audit backstop, discussions have begun with the Council on restoring assurance and progressing towards an unqualified audit opinion. <p>Value for Money Work</p> <ul style="list-style-type: none"> • The audit assesses whether the Council has proper arrangements to secure economy, efficiency and effectiveness, as required by the 2020 Code of Audit Practice. • Work is structured around three areas: financial sustainability, governance, and improving value for money. • Findings will be reported to the Audit & Governance Committee in the interim Auditor’s Annual Report in November. <p>The proposed audit fee for 2025/26 totals £503,951, made up of a £482,201 scale fee and £21,750 of additional fees.</p> <p>The report also includes a summary of emerging national issues and developments that may be relevant to the Council.</p>

Recommendations	It is RECOMMENDED that: Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.
Reason for recommendations	To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities. To advise Audit & Governance Committee of emerging national issues and developments that maybe relevant to the Council.
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 Information

Background

1. Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

External Audit Progress Report

Progress as at May 2026

3. The attached report (Appendix A) details progress made by Grant Thornton in delivering their responsibilities as external auditors.
4. The report includes an update on the following areas for their work, in summary:

Financial Statements Audit 2025/26

- The planning and risk assessment for the 2025/26 audit was completed between February and April 2026, with the resulting Audit Plan approved by the Audit & Governance Committee on 19 March 2026.
- Planning work covered the design effectiveness of key systems and processes, identification of audit risks, and early testing in areas such as operating expenditure and fees and charges income.
- Audit fieldwork is scheduled to begin in late June 2026, subject to the draft financial statements being published.

- A draft timeline and detailed workplan were shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline is expected to be met.
- Given the disclaimed opinion since the 2022/23 audit backstop, discussions have begun with the Council on restoring assurance and progressing towards an unqualified audit opinion.

Value for Money Work

- The audit assesses whether the Council has proper arrangements to secure economy, efficiency and effectiveness, as required by the 2020 Code of Audit Practice.
- Work is structured around three areas: financial sustainability, governance, and improving value for money.
- Findings will be reported to the Audit & Governance Committee in the interim Auditor's Annual Report in November.

Audit Fees 2025/26

5. The table below shows the proposed audit fee for 2025/26 following the publication of the scale fees by the Public Sector Audit Appointments.

	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	6,250
Additional fee for new accounting standards	17,162	-
Total (Exc. VAT)	533,367	503,951

Sector Updates

6. The report also includes a summary of emerging national issues and developments that may be relevant to the Council (as a local authority) which includes:
- Public Sector Finance Leaders' Barometer
 - CIPFA Code changes to the accounting for non-investment assets
 - Audit Readiness Training - Supporting high-quality 2025/26 accounts
 - Finance Settlement 2026/27 to 2028/29
 - SEND reform plans
 - Local Outcomes Framework
 - Local Government Reorganisation and Devolution Update
 - Transport connectivity
 - Maintaining local roads
 - Unlocking land for housing
 - The Crisis and Resilience Fund
 - Successful legacy planning for major events
 - After the Backstop: Reset, recovery and reform in the audit of local authority accounts

Options Appraisal

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

Summary of financial implications

8. The proposed 2025/26 BCP Council total audit fee is £503,951.

Summary of legal implications

9. There are no legal implications from this report.

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

13. There are no equality implications from this report.

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Grant Thornton – BCP Council Audit Progress Report and Sector Updates

27 **Bournemouth,
Christchurch and Poole
(BCP) Council**

Audit progress report and sector updates

May 2026

Agenda

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Audit Progress Report

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Introduction



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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress as at May 2026

Financial Statements Audit

The planning and risk assessment stage of our 2025/26 audit took place from February to April 2026. The Audit Plan that is informed by this work was presented to the Audit and Governance Committee on 19 March 2026.

31 As part of our planning work we documented the design effectiveness of systems and processes, we have also identified risks related to the audit and have made some good progress in starting some early testing, in areas such as operating expenditure and fees and charges income.

We plan to commence our audit fieldwork in late June, subject to the publication of the draft financial statements. We will report our findings to the November Audit and Governance Committee in our Audit Findings Report.

On 30 April 2026, we shared a draft timeline and detailed workplan with the Council, setting out how we will achieve the deadline of 30 November 2026.

The Council has been subject to a disclaimed opinion since the backstop of the 2022/23 financials statements audit. We have therefore started discussions with the Council on how assurance can be regained and how the audit can move towards an unqualified audit opinion in the future.

Value for Money

Under the 2020 Code of Audit Practice, we are required to undertake sufficient work to satisfy ourselves that the Council “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.”

The NAO’s Code of Audit Practice sets out the framework for this work as follows:

Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;

Governance: how the body ensures that it makes informed decisions and properly manages its risks; and

Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We will report our findings to the Audit and Governance Committee in our interim Auditor’s Annual Report to the November committee.

Progress at May 2026 (continued)

Audit Fees

PSAA published their scale fees for 2025/26: [Auditor-Directory-for-Website-2025-2026-as-at-11-02-2026.xlsx](#).

For Bournemouth, Christchurch and Poole Council the scale fee for 2025/26 is £482,201. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work. There are also additional fees of £21,750, as detailed in the table below.

	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	6,250
Additional fee for new accounting standards	17,162	-
Total (Exc. VAT)	533,367	503,951

Events

We recently held a webinar for members of Audit Committees on 10th February 2026, to discuss best next steps to take “After the Backstop”. A recording for the webinar can be found here: [After the Backstop | Grant Thornton](#)

We also recently held two Local Government Accounts webinars for preparers of accounts on 5th and 11th February 2026, where we discussed a range of topics for preparing the 2025/26 statements of account. Five individuals from the council attended these webinars.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date*	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.</p>	March 2026	Issued
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the Audit and Governance Committee.</p>	November 2026	Not yet issued
<p>Auditor's Report</p> <p>This includes the opinion on your financial statements.</p>	November 2026	Not yet issued
<p>Auditor's Annual Report</p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.</p>	November 2026	Not yet issued

Sector Updates

Public Sector Finance Leaders' Barometer

Audit Committees can obtain new analysis of the issues public sector finance leaders most prioritise, and how it might affect their organisation, here:

[The Public Sector Finance Leaders Barometer | Grant Thornton](#)

Background:

Grant Thornton's 2026 Public Sector Finance Leader's Barometer draws on the views of 100 s151 officers across local government in England to identify the top three strategic priorities, operational pressures and in-demand skills for public sector finance this year.

84% of those interviewed were confident that their medium-term financial strategies will hold, but there was consensus that the biggest risks those strategies face are largely outside the s151 officer's control: Growth in demand for statutory services; unfunded policy changes; and failure to deliver change programmes.

These risks highlight the need for better demand modelling, earlier horizon scanning, and disciplined delivery of change programmes. However, workforce shortages, recruitment challenges, and increasing complexity, mean there's simply not enough capacity to deliver transformation at the required pace.

Interviews with 100 s151 officers identified for 2026:

The top three strategic priorities are:

- Digital transformation
- Talent attraction and retention
- Regulatory compliance

The top three operational pressures are:

- Rising operating costs
- Complexity of regulation
- Workforce and skills shortages

The top three most in-demand skills are:

- Technical accounting
- Data analytics and business intelligence
- Change management

CIPFA Code changes to the accounting for non-investment assets

Changes introduced in the 2025/26 Code:

The 2025/26 CIPFA Code introduces substantial changes arising from the HM Treasury Thematic Review on Non-investment assets, and the requirement to keep the valuations of certain assets up to date:

- ❖ The introduction of a valuation expedient requiring valuations once every five years or on a five-year rolling basis, in each case supported by indexation in intervening years; and
- 36 ❖ The Code requires the use of the best available indices and, where no index is available, a desktop valuation is undertaken in year three.

The following asset classes are affected by the change:

- ❖ Other land and buildings;
- ❖ Vehicles, plant, furniture and equipment (where carried at current value);
- ❖ Surplus assets; and
- ❖ Right of use assets measured at current value

Assets which are not in scope of the changes include council dwellings; vehicles; plant and equipment carried at depreciated historical cost as a proxy for current value; infrastructure; assets under construction; heritage assets; assets held for sale; intangible assets; and community assets carried at cost.

Why Indexation is important:

Indexation is a new requirement in the Code, intended to provide a reasonable estimate of how market values have changed, rather than an exact valuation. A range of indices are available, and authorities will need to exercise and be prepared to explain their judgements on which indices are the most appropriate to apply across their asset base. Authorities may apply indexation to 31st March 2025 carrying values, providing the assumption that existing carrying values are true and fair is valid. Where valuations are required, they must be undertaken at least once every five-years or when there are indicators of impairment.

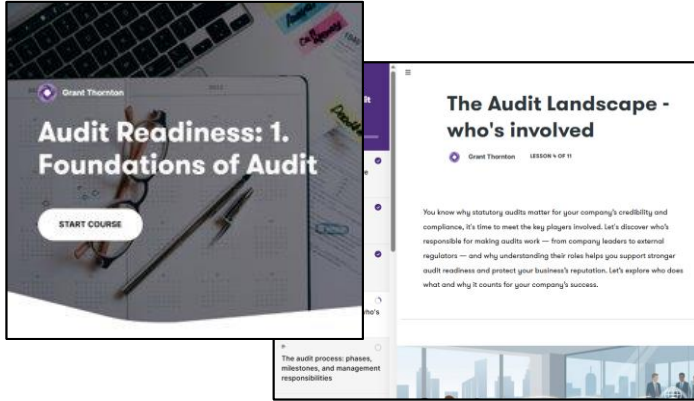
Audit Committees can help by asking:

- ❖ Have we sought advice from an expert valuer on which indices are most appropriate for our various assets within scope of indexation?
- ❖ Have we documented our rationale regarding why we select/reject or deem there to be no indices?
- ❖ How has indexation been calculated/ applied in underlying records/ asset systems?
- ❖ Have we ensured that asset records distinguish between revaluation versus indexation, so that we have a clear record of when valuations are due and when valuations were last carried out?



Audit Readiness Training

Supporting high-quality 2025/26 accounts



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As the local audit system moves from backlog recovery towards a renewed focus on timely, high-quality assurance, authorities are operating within a changing standards environment.

New statutory backstop deadlines and the introduction of Global Internal Audit Standards from April 2025 are increasing expectations around audit capability, consistency and documentation – at a time when workforce and skills pressures across local government finance and audit functions remain a recognised risk to audit quality.

In response, we've developed CPD-accredited online training to support audit teams in applying evolving standards in practice – strengthening technical confidence, improving audit documentation, and supporting more predictable and transparent audit delivery for Audit Committees.

What's included?

The Audit Readiness training is delivered through a 90-minute online training session built around seven learning modules;

- Foundations of Audit
- Planning for Audit Success
- Data and Documentation Management
- Complex areas of the audit
- Internal Controls & Risk Management
- Communication & Collaboration
- Hot Topics

Each module includes a knowledge test assessment, key takeaways and where applicable downloadable resources to support ongoing learning.

Key Benefits

Build lasting capability

Equip teams with the skills and confidence to manage audits effectively, now and in the future.

Share knowledge, not just answers

Designed to transfer expertise so teams understand the 'why' behind best practice.

Upskill your people

Helps every team member grow their technical understanding and strengthen collaboration.

Flexible learning that fits any schedule

Access training when it works for users, making it easy to build into existing workloads.

Improve outcomes and efficiency

Reduce audit queries, avoid delays, and strengthen relationships through proactive preparation.

Finance Settlement 2026/27 to 2028/29

Key information for Audit Committees to be aware of:

The Government published the final Local Government finance settlement for 2026/27 to 2028/29, valued at some £78 billion, on 9th February 2026. We note that:

- ❖ This was the first multi year settlement for a decade, helping to create certainty for financial planning.
- 38 ❖ Councils will have up to 90% of their historic SEND-related deficit balances as at 31st March 2026 covered by a new grant.
- ❖ Some Councils impacted by historic funding cuts will receive targeted investment through a £440 million Recovery Grant uplift, aimed at increasing spend on street cleaning, pot-hole repair and services.
- ❖ There is an extra £272 million homelessness funding to invest in Homelessness, Rough Sleeping and Domestic Abuse Grant; an additional £50 million to help Councils implement the Renter's Rights Act; and an additional £39.6 billion for mayoral capacity.
- ❖ Seven councils have been granted permission for flexibility to raise council tax over the referendum limit.

[Key information table for local authorities: final local government finance settlement 2026 to 2027 - GOV.UK.](#)

There are important aspects to be aware of:

- ❖ Although all local councils with a SEND deficit will be eligible to receive the new grant funding, they will need to secure approval of a SEND local reform plan first.
- ❖ Residual SEND deficits accrued by 31st March 2026 will only be covered by statutory override until 31 March 2028. Similarly, any new deficits incurred in 2026/27 and 2027/28 are only covered by statutory override until that date.
- ❖ The new Indices of Multiple Deprivation, have brought changes in the distribution of funds between areas – some areas will gain, but others will lose.
- ❖ The government has still had to approve [Exceptional Financial Support](#) for 35 local authorities.

Audit Committees can help by asking: What does the finance settlement mean for their Council? How are we mitigating any losses? How are we planning for best value from gains?



SEND reform plans

Key information for Audit Committees to be aware of:

- ❖ Local SEND Reform plans are going to require Department for Education approval before Councils can apply for up to 90% of SEND deficits to be covered by the new High Needs Stability Grant.
- ❖ To help local authorities develop their SEND reform plans, the government has promised to share “best practice” from the safety valve and delivering better value schemes and provide each area with “advisers to help ensure spending is effective, efficient and focused on improving outcomes for children and young people.”
- ❖ From 1st April 2028, future deficits will be met by the Department for Education.
- ❖ On 23rd February 2026, the policy paper “Every child achieving and thriving” made it clear that the focus will be on providing SEND support within mainstream settings going forward.
- ❖ The government described this as the first phase of the “transition to a reformed Send system”. System wide reform is widely recognized as essential and will be easier to leverage at central government level.

- ❖ Government data indicates that Local authorities stand to benefit by £5 billion if the full 90% of grant funding offered for 2026/27 is accessed. In addition, some £4 billion of funding for new school places (and family hubs) has been announced.

Progressing your plan:

The Schools Week reports that ten days before Christmas, the Department for Education (DfE) and the NHS England had already written to Councils and health officials asking them to start work on a “local SEND reform plan” without waiting for any additional details about future funding. The plans were expected to reflect five core principles of future SEND provision needing to be early, local, fair, effective and shared.

Audit Committees can help by asking:

- ❖ How far progressed is the planning we were asked to start before Christmas?
- ❖ Do we have any best practice examples of our own from safety valve or delivering better value experience?
- ❖ Have we agreed a timetable for planning, and are we on track?
- ❖ What plans are we making to close the remaining 10% of historic deficit that we will still be accountable for after the High Needs Stability Grant covers the rest?

Local Outcomes Framework

Audit Committees should seek to understand how their organisation is implementing reporting against new local government Outcomes:

The Government published a new Local Outcomes Framework on 9th February 2026, setting out 16 national priority outcomes that central government and local government will work together in partnership to deliver:

[Local Outcomes Framework: Priority outcomes and metrics - GOV.UK](#)

40 Using the Outcomes Framework will be a radical shift in the way that the performance of local government is assessed. We will see a shift from process-heavy form filling by Councils for central government, to a clearer focus on what Councils are actually achieving at local level.

Prominent sector commentators such as [Solace](#) and the [Local Government Association](#) have reacted very positively.

The Outcomes in turn are supported by metrics that will be populated from robust, well known national data sources such as the Office for National Statistics; Government Departments for areas such as Health and Social Care, Education, Transport, and Work and Pensions; the Ministry of Justice; and Sport England.

New local government outcomes:

- Housing supply
- Housing quality and safety
- Homelessness and rough sleeping
- Multiple disadvantage
- Best start in life
- Every child achieving and thriving
- Keeping children safe (children's social care)
- Health and wellbeing
- Adult social care – quality Adult social care – independence, choice and control
- Adult social care – neighborhood health / integration
- Neighborhoods
- Environment, circular economy and climate change
- Transport and local infrastructure
- Economic prosperity and regeneration – contextual outcome
- Child poverty

Audit Committees can help by asking how existing key performance indicator metrics will align with the new national metrics.

Local Government Reorganisation and Devolution Update

Latest Developments:

- ❖ **11th January 2026:** Consultation closed for four Devolution Priority Programme areas undergoing unitarisation. Decisions are expected in March 2026.
- ❖ **20th January 2026:** The English Devolution and Community Empowerment Bill moved to Committee stage.
- ❖ **5th February 2026:** New consultations were launched on local government reorganisation proposals for another 14 different areas across England. The consultations will run for seven weeks until Thursday 26th March 2026 and can be found here: [Local government reorganisation: Policy and programme updates - GOV.UK](#).
- ❖ **12th February 2026:** All areas in England without devolution can propose foundation strategic authority boundaries by 20th March 2026. [Written statements - Written questions, answers and statements - UK Parliament](#)

- ❖ **12th February 2026:** Proposals for nine new foundation strategic authorities were announced at the same time as announcing new spatial development strategies [Areas for producing spatial development strategies - GOV.UK](#)
- ❖ **16th February 2026:** The Government confirmed that the local elections due in England on 7th May 2026 will go ahead for 30 councils where delays had previously been announced.

The [Institute for Government \(IFG\)](#) suggested in December 2025 that the government may have fundamentally misunderstood the scale of the local government reorganisation task it set itself.

For those trying to deliver the task, two sets of material from Grant Thornton may be useful:

- ❖ **March 2025 - [Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)**
- ❖ **March 2025 - [Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)**



Transport connectivity

Audit Committees in all local authorities can help their residents by asking:

- ❖ Is our Transport Strategy or Plan up to date?
- ❖ How well integrated is it with other Strategies and Plans?
- ❖ What assurance do we have over effective working with partners to deliver the transport plans?

Background:

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On 30th January 2026, the Institute for Government's latest [devo-lab-policy-briefing](#) highlighted that transport connectivity in much of England lags significantly behind Europe, and is innately unequal across our country:

..... approximately 39% of people can get into the centre of the city on public transport within 30 minutes, compared to 67% of people in comparably sized European cities.

Public transport connectivity in London is significantly higher than in any other region in England

The devo lab went on to explore three case studies from West Yorkshire, the Liverpool City Region, and Greater Manchester, to identify how mayoral strategic authorities are helping to improve transport connectivity in their areas.

The briefing identified drivers of success as:

- ❖ **Visible leadership** from mayors to help secure investment (Andy Burnham made the Bee Network a clear personal priority, for example);
- ❖ **Embedding transport plans within wider plans** for regeneration, infrastructure, growth, decarbonisation and spatial development;
- ❖ **Having the confidence** to recognise the benefits of bold decisions such as bus franchising to improve reliability; and
- ❖ **Using place-based business cases** instead of traditional cost benefit analysis to build a wider case for the social and health benefits of investment, which is consistent with a new wider government approach to place-based decision-making: [Green Book review: The six areas set to change | Grant Thornton](#).

For a full copy of the dev-lab findings, see [Learning from the DevoLab #3: How devolution can improve transport connectivity | Institute for Government](#).

Maintaining local roads

For information:

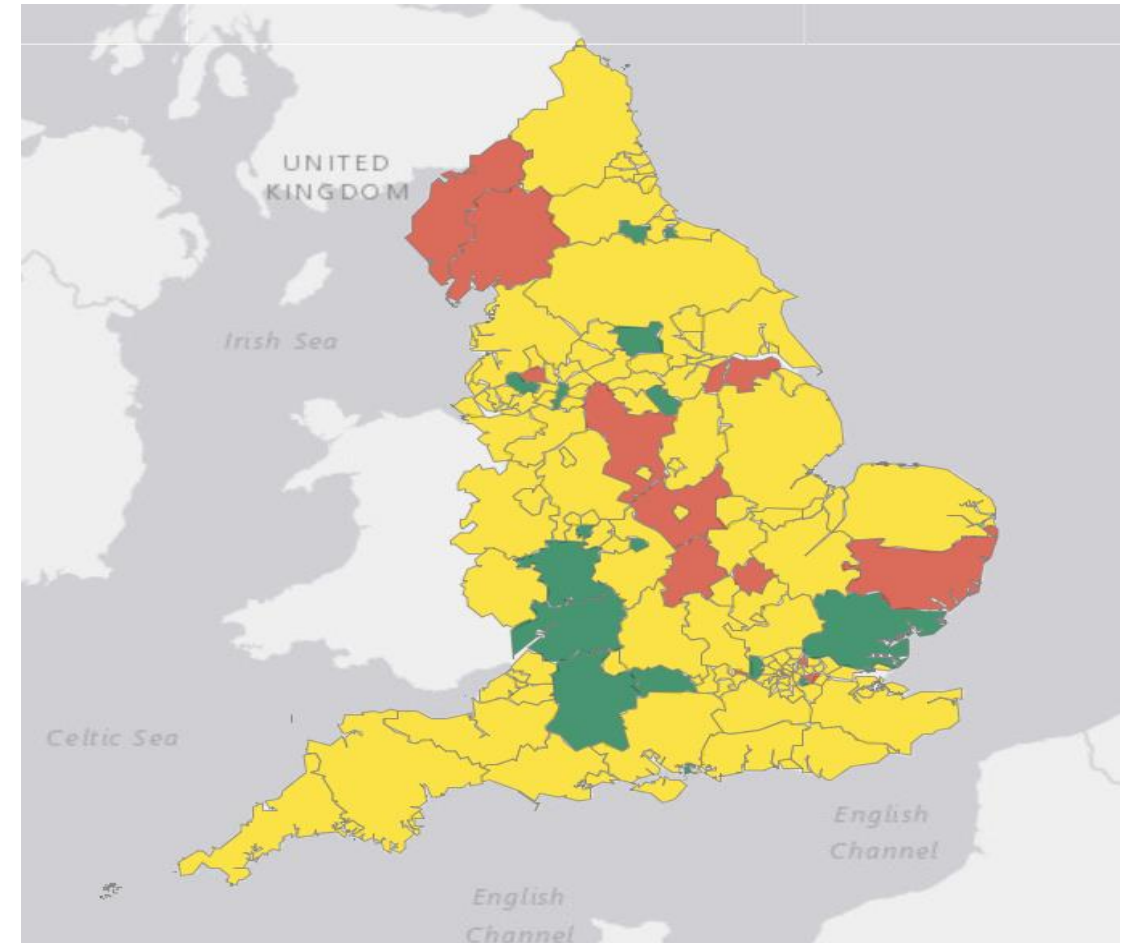
On 11th January 2026, the Department for Transport published a new interactive map with Red, Amber and Green ratings showing how effectively different local (highways) authorities are fixing potholes.

43 The map is publicly available and for the first time, people across England can now see how well their local Council is tackling potholes; resurfacing roads; investing in long term preventative measures; and, as [GOV.UK](#) says, “restoring pride to their local area”.

The new ratings - the first of their kind - grade 154 local highway and can be found here: [Road Maintenance Ratings: Local Authority Map](#).

The [RAC](#) estimated in January 2026 that UK drivers spent an average of £320 in between 2023 and 2024 on repairing pothole damage. From a survey of 1,855 members the RAC found that 5% spent more than £1,000 on repairs to damaged tyres, suspension, and steering, due to poor road conditions.

With comparative data now available to the public, there is a very strong incentive for Councils to be proactive about spending the new money announced in the Finance Settlement as effectively as they can.



Unlocking land for housing

Key information for Audit Committees:

On 11th February 2026, the National Audit Office published a report that drew on interviews with 15 different local authorities about their experiences of working with the Ministry for Housing, Communities and Local Government (MHCLG) and Homes England to unlock land for housing delivery. Experiences to date show that:

- ❖ Unlocking land takes a long time. Since 2016/17, MHCLG has allocated £10.5 billion of funding to unlock land for housing. MHCLG expects that the money will have been spent by March 2034.
- ❖ It is uncertain how directly successful MHCLG interventions to unlock land so far have been. Previous funding provided capacity for building 713,000 new homes across England, but there is no direct record of how many were new builds are directly attributable to that funding.

With a new £21 billion scheme launching on 1 April 2026, the NAO recommends that MHCLG works with local authority (and other) partners to:

- ❖ Agree an approach to performance measurement with delivery partners;
- ❖ Generate timely data on both progress of unlocking land and subsequent delivery of new homes on new projects and active legacy projects; and
- ❖ Put in place evaluation and monitoring arrangements that provide continuous timely evidence.

Audit Committees can help their organisation unlock land by asking officers how they are accessing new funds; and how they will be measuring impacts of using the new funds.

As new funds become available, Audit Committees also have a role to play in asking how oversight will continue to be maintained over legacy schemes.

Key facts to be aware of:

1.5 million - Number of homes to be built by the end of this parliament.

£16 billion – committed to the new National Housing Bank from 1 April 2026 for investment capital (£10.5 billion) and housing guarantees (£5.5 billion).

£5 billion – Grant Funding through the new housing delivery fund from 1 April 2026.

Findings from the National Audit Office: [Unlocking land for housing - NAO report](#)

The Crisis and Resilience Fund

Key information for Audit Committees:

- ❖ A new Crisis and Resilience Fund (CRF) will be introduced from 1st April 2026, replacing the Household Support Fund and providing a £1 billion annual government fund in England, until March 2029, to help low-income families if they suffer financial shock.
- ❖ Culturally, there will be a big difference between the new CRF and its predecessor, the Housing Support Fund (HSF). The CRF emphasises lasting support and resilience (into the long-term), while the HSF focused on immediate crisis response.
- ❖ The new CRF will have three main aims: Effective crisis support; improving the citizen's own financial resilience (ability to withstand financial shock); and bolstering local support networks in communities.

Updated guidance was provided by the Government on 21st January 2026 [Crisis and Resilience Fund: Guidance for local authorities in England \(1 April 2026 to 31 March 2029\) - GOV.UK.](#)



Audit Committees should ask how well prepared their organisation is for the new approach.

Successful legacy planning for major events



Sector trend for Audit Committees to be aware of:

Just as UK and Ireland Ltd starts to ramp up work for the Euros 2028 to be based at nine different locations across our two countries, so Mayors and Local Government Leaders from the North of England delivered a [joint letter on 8th February 2026](#) (from the Great North to the government), calling for any future UK Olympic and Paralympic bid to be centred in the North of England. The letter highlighted the legacy benefits that can accrue for regions from major sporting events in terms of jobs, regeneration and transport links.

46 Successful legacies don't happen on their own though. They take careful planning to achieve.

The [International Olympics Committee's Strategic Approach to Legacy](#) has in the past emphasised:

- ❖ Embedding communication legacy objectives from the very start of the Olympics bid process;
- ❖ Developing strong partnerships to deliver the legacy; and
- ❖ Setting up effective governance for legacy measurement.

For economic legacy, [World Economic Forum](#) data published in February 2026 highlights the importance of strong and realistic forecasting.

In the North of England, it is clear that the sense of partnerships is already strong.

As the Leaders of Westmorland and Furness Council, and Cllr Mark Fryer, leader of Cumberland Council, both said:

“It is unlikely that stood alone any city or county (in the North) could have realistic hopes of pulling off such a major coup. But the combined ambition and offer of the authorities across the North of England is a far stronger proposition.”

Local authorities throughout England oversee sporting and cultural events on many different levels. Wherever there is investment, Audit Committees can ask: Have we set and communicated goals?; Are we measuring impact?; and what governance is there over how we forecast and measure?

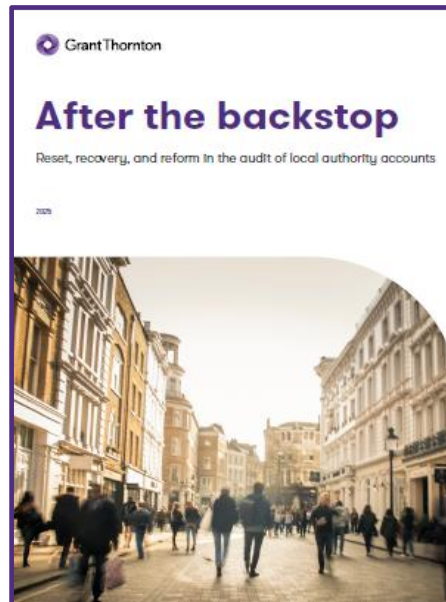
After the Backstop:

Reset, recovery and reform in the audit of local authority accounts

Our latest thought leadership report ‘After the Backstop: Reset, recovery and reform in the audit of local authority accounts’ was published in December 2025.

In this report we explored the development and implementation of a ‘reset’ of the local audit system, the immediate and longer-term consequences of the ‘backstop’ before turning attention to the reform of the system, the challenges involved in returning to widespread and sustainable compliance with audit reporting timeframes and what, in our view, is needed next. We also set out a series of recommendations for the Local Audit Office, the UK Government, local bodies, Audit Committees, and auditors.

47 The full report is available here: [Local audit reset: What comes after the backstop? | Grant Thornton](#)



Gareth Davies, Head of the National Audit Office, informed Parliament [in a keynote speech on 10th February 2026](#) that the use of disclaimed audit opinions to meet backstop dates, coming after years of backlogs in the accounts, means that *“we have no independent assurance about how local government spent billions of pounds of public money”*.

By coincidence, we were joined at a webinar by some 140 local government finance professionals and Audit Committee members on the same day to discuss reset, recovery and reform in the local audit market. Insight from the discussion can be found here: [After the Backstop | Grant Thornton](#).

Key recommendations to Audit Committees are:

- ❖ Recruit independent members with appropriate skills and experience.
- ❖ Hold management and auditors to account.
- ❖ Report to full Council on an annual basis with their assessment of the accounts preparation and audit process.
- ❖ Understand the approach to be taken to rebuilding audit assurance where previous accounts were disclaimed:
- ❖ Ensure appropriate consideration is given to future financial management where local government reorganisation applies.

Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

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[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-ias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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