Notice of Audit and Governance Committee

Date: Thursday, 30 July 2026 at 6.00 pm

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

Membership:

Chair:
Cllr E Connolly

Vice Chair:
Cllr M Andrews

Cllr S Bartlett	Cllr J Salmon	Cllr T Trent
Cllr J Beesley	Cllr V Slade	
Cllr M Phipps	Cllr M Tarling	

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?MId=6493

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

22 July 2026

DEBATE NOT HATE

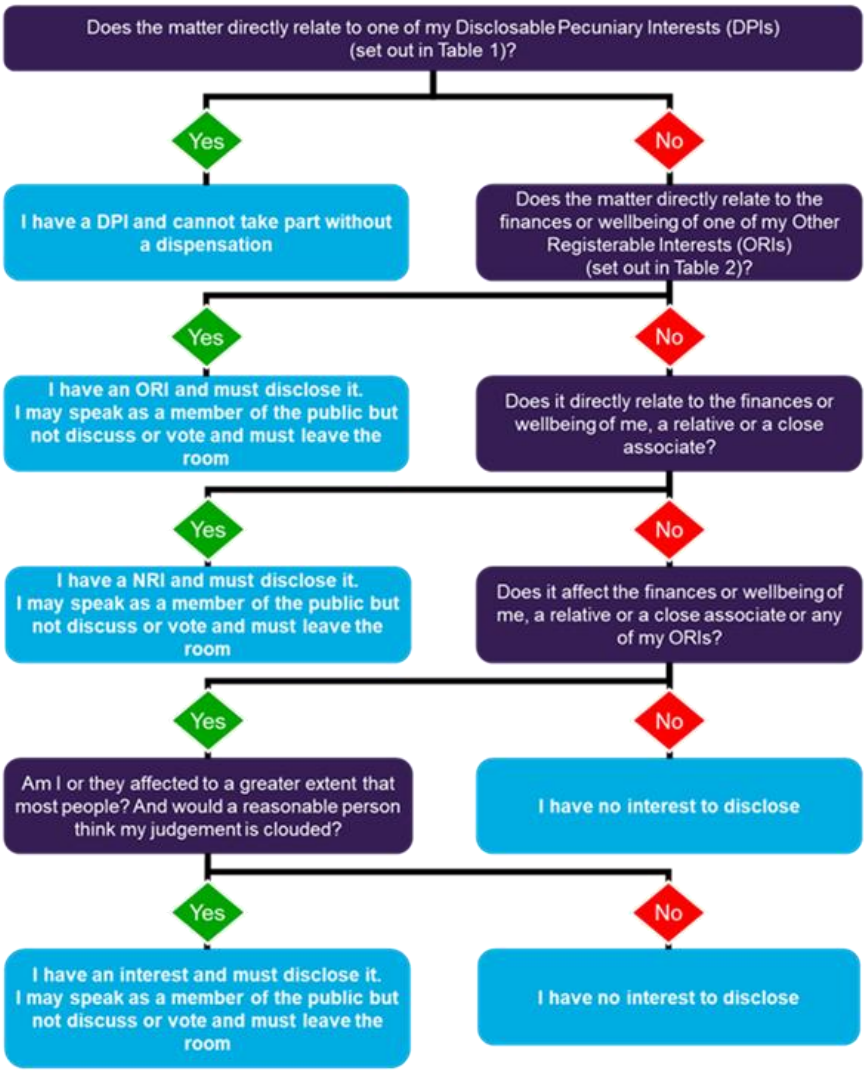
Available online and on the Mod.gov app

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

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

For more information or advice please contact the Monitoring Officer

Selflessness

Councillors should act solely in terms of the public interest

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty & Integrity

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

Leadership

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

AGENDA

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

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

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

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

3. Declarations of Interests

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

Declarations received will be reported at the meeting.

4. Confirmation of Minutes 9 - 18

To confirm and sign as a correct record the minutes of the meeting held on 28 May 2026.

NOTE: The exempt section of these minutes are attached as a restricted document.

a) **Recommendation and Action Tracker** 19 - 22

To consider any outstanding recommendations and actions from previous meetings.

5. Public Issues

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

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

The deadline for the submission of public questions is midday on Friday 24 July 2026 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 29 July [midday the working day before the meeting].

The deadline for the submission of a petition is Thursday 16 July 2026 [10 working days before the meeting].

ITEMS OF BUSINESS

6. External Auditor – Regaining Assurance Progress Report & Sector Update 23 - 58

Grant Thornton, as the Council's appointed External Auditors, has produced a report (Appendix A) which provides an update to the Audit & Governance Committee on their progress to date in delivering their responsibilities and provides an update on the following key areas of work:

Financial Statements Audit 2025/26

- Presented the audit plan for 2025/26 to the Council's Audit and Governance Committee on 19 March 2026.
- The expectation was that all Local Authorities would publish their unaudited accounts for 2025/26 by 30 June 2026. The Council achieved this ahead of schedule, publishing its accounts on 12 June 2026 and commencing the public inspection period on the 15 June 2026. This represents a significant achievement and demonstrates the Council's commitment to improving the timeliness of its financial reporting.
- Audit fieldwork commenced the same week, and sample selection is already underway. To maintain this positive progress and ensure delivery of the audit by the November deadline, it is important that audit queries receive timely responses and that supporting working papers are of a high quality.

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.

After the backstop

- Rebuilding assurance across local government accounts remains an ongoing sector-wide challenge.
- The next statutory backstop dates are 31 January 2027 for 2025/26 accounts and 30 November 2027 for 2026/27 accounts.
- The Council and Grant Thornton have agreed to complete the 2025/26 audit by November 2026 to support timely delivery of the 2026/27 audit.

Regaining assurance

- Local audit recovery – Rebuilding assurance remains the priority, with MHCLG requesting assurance capacity assessments by 31 July 2026.
- Previous audits – Audit opinions for 2022/23, 2023/24 and 2024/25 were disclaimed due to the backstop arrangements.
- Grant Thornton's Regaining Assurance Strategy (see Appendix B) sets out a phased approach to rebuilding assurance.

Sector Updates

The report also includes a summary of emerging national issues and developments that may be relevant to the Council.

7. Treasury Management Outturn 25-26 and Q1 26-27 59 - 72

This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2025 to 31 March 2026.

An underspend of £1.1m was the achieved against budget. The council saw higher than expected cash balances during the year increasing interest receivables from investments. This resulted from borrowing being arranged in advance of needs, at preferential rates, to ensure availability in March. The ability to utilise lower borrowing rates than budgeted also resulted in an underspend on sort term borrowing costs.

The report also sets out the Quarter One performance for 2026/27 which forecasts no variance to budget.

8. Risk Management - Corporate Risk Register Update 73 - 156

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

- CR08 – We may fail to run a fair and open election/referendum. This risk has been removed from the Corporate Risk Register.
- CR24 - We may fail to adequately address concerns around community safety. This risk is now led by the Director of Public Health and Communities.
- A new risk has been nominated around Corporate Health and Safety/Asset Management with the risk owner being the Interim Director of Finance. Corporate Management Board considered this risk should be reflected in the Corporate Risk Register.

Material updates for this quarter are outlined in section 13.

9. Internal Audit - Quarterly Audit Plan Update 157 - 184

This report details progress made on delivery of the first quarter of the 2026/27 Audit Plan plus the last month of the 2025/26 Audit Plan. This report highlights that:

- All audit assignments from 2026/27 have been completed
- 29 audit assignments have been finalised, including four 'Partial' audit opinions;
- 17 audit assignments are in progress;
- Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion;

Eight high and three medium priority recommendations have not been fully implemented by the original target date or agreed revised date (as at 30 June). Explanation has been received from the relevant Directors as to why these have not been completed.

10. Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2025/26 185 - 188

An annual review of the Council's Declaration of Interests, Gifts and Hospitality Policy (for officers) was undertaken in February 2026, and the revised Policy was approved by the Audit & Governance Committee on 26

February 2026. The key changes introduced were:

- Strengthened requirements for declaring other employment, including additional guidance, a formal definition, updates to forms, the flowchart and FAQs.
- Clarified line manager responsibilities for assessing declarations and documenting decisions. Added requirement to submit completed forms to Service Directors.
- Enhanced Service Director oversight, including review of declarations, validation of line manager decisions, communication of outcomes and completion of a dedicated review section.

During 2025/26, awareness of the Declaration of Interests, Gifts and Hospitality Policy was promoted through corporate and targeted communications, induction and mandatory training for new employees, and bespoke training sessions delivered across Council services by the Head of Audit & Management Assurance.

The Head of Audit & Management Assurance considers the Declaration of Interests, Gifts and Hospitality Policy to be fit for purpose, with generally good levels of awareness and compliance across the workforce. This assessment reflects the fact that only a small number of reminders were required by Internal Audit to obtain declarations from newly appointed senior officers.

11. Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2025/26 189 - 192

Following an annual review, the Council's Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy was updated with a minor change to include links to associated BCP Council strategies and policies.

BCP Council did not make use of powers under RIPA or IPA during the 2025/26 financial year.

The BCP Council statutory return for the 2025 calendar year has been submitted to the Investigatory Powers Commissioner's Office (IPCO). The next three-yearly IPCO inspection is due in 2027.

The annual review has confirmed that the appropriate governance and oversight and authorisation arrangements remain in place to ensure any future use of investigatory powers would be lawful, necessary and proportionate.

12. Annual Breaches of Financial Regulations and Procurement Decision Records Report 2025/26 193 - 208

This report sets out all breaches of Financial Regulations (the Regulations) and the four circumstances described in Part G, Paragraph 5 (para 5), recorded within Procurement Decision Records (PDRs), where circumstances exist where the expected and normal procurement related activity, requirement or expectation could not be followed for some good reason, during the 2025/26 financial year.

Circumstances described in Financial Regulations paragraph 5 are:

i. Standard competition requirements not followed as they would likely cause harm to health or property.

ii. A particular supplier is required because competition is absent for technical reasons

iii. Payments in advance for goods, services or works

iv. Spot-purchase (i.e. off-contract) when buying against a compliantly procured contract was an option.

An analysis of breaches and PDRs highlights the following:

	2025/26		2024/25		2023/24	
	Breaches	PDRs (para 5)	Breaches	PDRs (para 5)	Breaches	Waivers
Total (count)	19	133	12	28	7	35
Total (£)	£48.3m	£21.2m	£29.2m	£4.2m	£15.4m	£0.7m

Whilst no breaches of Financial Regulations is the preferable position, the relatively low number of breaches suggests a good level of understanding of the requirements among managers and officers across most service directorates, resulting in general compliance with the Regulations.

The breaches were primarily due to a lack of awareness of Financial Regulations, which is being addressed through targeted training and guidance, alongside reminders to managers of their responsibility to ensure staff are properly trained and managed.

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

There were 382 PDRs approved during 2025/26 totalling approximately £231m and of these 133 were circumstances as described in Financial Regulations Part G Paragraph 5 which require reporting to this committee.

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

13. Chief Internal Auditor's Annual Opinion Report 2025/26 209 - 230

It is the opinion of the Chief Internal Auditor that during the 2025/26

financial year:

- arrangements were in place to ensure an adequate and effective framework of governance, risk management and internal controls (internal control environment), and that where weaknesses were identified there were appropriate action plans in place to address them;
- the systems and internal control arrangements were generally effective and that agreed policies and regulations were generally complied with;
- adequate arrangements were in place to deter and detect fraud;
- there was an appropriate and effective risk management framework;
- managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
- the Council's Internal Audit service was effective and compliant with regulations and standards as required of a professional internal audit service;

the arrangements, in respect of the Chief Internal Auditor, were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".

14. Annual Report of the Audit & Governance Committee 2025/26 231 - 260

Good governance is ultimately the responsibility of Council as the governing body of BCP Council.
This report provides assurance as to the way in which the Audit & Governance Committee has discharged its role to support Council in this responsibility. In addition, the report underpins the Annual Governance Statement, which is approved by the committee.
The attached report at Appendix A, Annual Report of the Audit & Governance Committee 2025/26, demonstrates how the Committee has:

- Fulfilled its terms of reference;
- Complied with national guidance relating to audit committees; and

Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.

15. Annual Governance Statement 2025/26 and Annual Review of Local Code of Governance 261 - 296

The Accounts and Audit Regulations 2015* require councils to produce an Annual Governance Statement (AGS) to accompany its Statement of Accounts.
The AGS concludes that BCP Council "**has effective and fit-for-purpose governance arrangements in place in accordance with the governance framework"**.
After considering all the sources of assurance (for governance arrangements), BCP Council Corporate Management Board identified that the following significant governance issues existed:

- Dedicated School Grant (DSG) and Special Educational Needs and Disability (SEND) Services
- Councillor Mandatory Training
- Council Owned Companies

- Corporate Asset Management

An action plan to address these significant governance issues has been produced and is being implemented. An update against the action plan will be brought to Audit and Governance Committee in January 2027.
*and as amended by the Accounts and Audit (Amendment) Regulations 2024

Only minor amendments to the Local Code of Governance have been necessary to keep pace with the Council's changing governance arrangements. The Council's Assurance Framework has been incorporated to enhance the document.

16. Appointment of Independent Members

The Head of Audit and Management Assurance will provide a verbal update.

17. Forward Plan - For the 2026/27 municipal year 297 - 300

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

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.

This page is intentionally left blank

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 28 May 2026 at 6.00 pm

Present:-

Cllr E Connolly – Chairman

Cllr M Andrews – Vice-Chairman

Present: Cllr S Bartlett, Cllr J Beesley, Cllr J Salmon, Cllr C Weight (In place of Cllr V Slade), Cllr M Tarling and Cllr T Trent

Also in attendance: Cllr M Cox

1. Apologies

Apologies were received from Cllr V Slade and Cllr M Phipps.

2. Substitute Members

Notification was received that Cllr C Weight was substituting for Cllr V Slade for this meeting.

3. Election of Chair

The Vice Chairman of the Council presided over this item. A nomination was received and seconded for Cllr E Connolly to be appointed Chair. There being no further nominations it was:

RESOLVED that Cllr E Connolly be elected Chair of the Committee for the 2026/27 municipal year.

Cllr Connolly assumed the chair and thanked members for their continued support.

4. Election of Vice Chair

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

RESOLVED that Cllr M Andrews be elected Vice Chair of the Committee for the 2026/27 municipal year.

5. Declarations of Interests

In accordance with his previous declarations, in relation to Agenda Item 11 Cllr M Andrews reported for transparency, that his daughter resided at Carter's Quay and that he was a guarantor on her tenancy.

6. Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 19 March were confirmed as an accurate record for the Chair to sign.

Voting: Unanimous

In addition, the Committee agreed 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"**

7. Action Sheet

The completed actions on the Action Sheet were noted.

The Committee discussed the scheduling of future items and noted that some governance-related items were programmed for later meetings due to existing commitments.

The Committee considered the monitoring of recommendations and agreed that a more consistent approach would be beneficial. Officers agreed to review the Action Sheet and explore development of a recommendations tracker aligned to existing arrangements.

The Committee also noted the forthcoming Children's Services Overview and Scrutiny Committee briefing on the SEND reform programme, to which Members would be invited.

8. Public Issues

The following public questions and statements were received:

Questions from Mr Alex McKinstry on Agenda Item 10 – Exclusion of Press and Public

Question 1:
Item 10 invites the Committee to vote on excluding press and public for the duration of the succeeding item - a report entitled "Governance process for regeneration (Carter's Quay)". This report is described in tonight's paperwork as exempt from disclosure pursuant to Paragraph 3 in Part 1 of Schedule 12A to the Local Government Act 1972 - "Information relating to the financial or business affairs of any particular person (including the authority holding that information)". Was a public interest test carried out on

whether to recommend this report for exemption, and if so, can you read out the factors that are thought to support disclosure (if any), and those which are thought to support exemption?

Response:

A separate formal written public interest test was not produced. However, the requirement to consider the public interest balance was addressed as part of the Monitoring Officer's assessment, in consultation with relevant officers, when determining whether the report contained exempt information under Schedule 12A and in accordance with the Constitution.
The constitution also highlights the importance of taking into account the public interest in disclosing information.
Officers will always follow the law which provides that information is only treated as exempt where, in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosure. That consideration was given to this report.
In summary:

1. Factors favouring disclosure include transparency and accountability in public decision-making.
2. Factors favouring exemption in this case include:
a. the protection of commercially sensitive financial information,
b. avoiding prejudice to the Council's position in ongoing negotiations with third parties, and
c. protecting the Council's legal position, including in relation to potential proceedings.

Having regard to those factors, it was concluded that the information falls within paragraph 2.

Question 2:
Was a copy of the public interest test circulated to all permanent members of this Committee, and is that standard practice on committees of this Council where reports are recommended for exemption?

Response:

No separate public interest test document was circulated to Members. That is not a requirement of the statutory or constitutional framework.

Members are appropriately informed through:

1. the report;
2. the stated exemption category; and
3. the advice available to Members before and during the meeting.

Question 3:

Were all permanent members of this Committee informed that it is for them, ultimately, to decide whether a report is exempt from public disclosure?

Response:

Members are required to decide whether to exclude the press and public from the meeting in relation to the relevant agenda item. However, it is important to distinguish that process from the question of the initial publication of the report itself by officers.

In accordance with the Council's Constitution:

1. the Monitoring Officer may refuse public access to agenda papers where they consider it necessary because the papers relate to business likely to be conducted in private, and such papers are marked "Not for Publication"; and
2. that assessment is made by reference to whether the report contains exempt information in accordance with Part 4A, Rule 9.2 of the Constitution.

Should the committee be minded to publish the report and make it available to the public, the Monitoring Officer would be obliged to provide relevant advice.

In this case the decision made by officers is that, because the report contains commercially and legally sensitive material, including matters relating to ongoing negotiations and potential legal proceedings, it would not be possible to consider the report in substance in public without risking disclosure of that information.

9. External Auditor – Audit Progress & Sector Update

The Key Audit Partner, 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.

Appendix A of the report provided an update on the EA's progress to date in delivering its responsibilities in relation to audit work. The EA highlighted the key points of note in relation to the Financial Statements Audit 2025/26 as detailed in the report. It was noted that a draft timeline and detailed workplan had been shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline was expected to be met. Given the disclaimed opinion since the 2022/23 audit backstop, discussions had begun with the Council on restoring assurance and progressing towards an unqualified audit opinion. The EA highlighted the key points of note in relation to Value for Money work. The report also included a summary of emerging national issues and developments potentially relevant to the Council.

In the course of the discussion, Members raised questions in relation to the Dedicated Schools Grant deficit and the Council's SEND reform programme, including the anticipated timing of government funding and the assumptions within the Council's financial planning.

In response, the Interim Chief Financial Officer advised that the Council was required to submit its SEND reform plan by mid-June 2026, with any associated funding anticipated later in the financial year, subject to approval. The EA further advised that the Value for Money assessment would reflect the Council's arrangements in place at the relevant time, including how the remaining unfunded element of the deficit would be managed.

Further questions were raised in relation to progress towards restoring audit assurance and the potential impact of changes to asset valuation requirements arising from updated CIPFA guidance. The EA advised that the changes were intended to simplify valuation processes over time and reduce audit complexity.

Following consideration, the Committee requested that further information be provided on the financial assumptions underpinning the SEND reform programme.

RESOLVED that the Audit & Governance Committee notes the External Auditor's progress to date in delivering its responsibilities and the sector update provided.

Voting: Nem. Con.

10. Appointment of Independent Members

The Head of Audit and Management Assurance gave an update on the appointment of two new independent members following the recruitment process.

Members were advised that the recruitment process had been undertaken in accordance with best practice, with the role publicly advertised and a selection panel comprising Members of the Committee. It was reported that four candidates had been shortlisted and interviewed, with two candidates provisionally identified for appointment. One candidate had accepted the offer, with a response from the second candidate awaited.

It was further noted that, subject to acceptance, a report would be submitted to Full Council seeking approval of the appointments.

In the course of the discussion, Members raised concerns regarding the timing of the recruitment process and the period during which the Committee would be without independent members. In response, officers advised that the process had been progressed as quickly as practicable, although it was acknowledged that there would be a short interim period without independent representation.

Members emphasised the importance of independent members in supporting the work of the Committee, particularly in relation to complex governance matters.

Following consideration, the update was noted.

11. Exclusion of Press and Public

The Committee considered a report of the Monitoring Officer regarding the proposed exclusion of the press and public in respect of the following item of business.

The Chair outlined the background to the Carter's Quay report, noting that it contained detailed information relating to ongoing negotiations with the administrator and potential legal considerations. It was explained that, in accordance with the Council's Constitution, the Monitoring Officer had determined that the report contained exempt information.

Members were advised that the exemption related to commercially and legally sensitive information, including matters that could prejudice the Council's position in ongoing negotiations and any potential legal proceedings.

In response to concerns regarding transparency and the absence of a separate written public interest test, the Monitoring Officer advised that the public interest had been considered as part of the exemption and that disclosure at this stage could prejudice the Council's legal and commercial position. It was further noted that elements of the report may be published at a later stage.

Members acknowledged the need to balance transparency with protecting the Council's interests and indicated support for a public-facing summary being produced in due course.

Following consideration, it was:

RESOLVED 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.

Voting: For 7, Against 0, Abstain 1

12. Governance Process for regeneration (Carters Quay)

This item was 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 Committee considered an exempt report relating to the Carter's Quay acquisition.

The Committee asked questions of officers and agreed that further work was required.

The Committee confirmed that the item had been appropriately considered in exempt session and that further consideration would take place, with a public report to be considered by the Committee in due course.

RESOLVED that the Audit and Governance Committee:

- **notes the report**
- **agrees that further work be undertaken to develop recommendations**
- **agrees that a report comprising a summary of the Committee's findings, recommendations and relevant extracts be prepared, delegated to the Chair in consultation with the Committee**
- **supports the preparation of a public report for Committee consideration, subject to legal and commercial considerations**
- **agrees that a further meeting or briefing be arranged to enable continued consideration of the matter**

Voting: For - Unanimous

The meeting ended at 9.43 pm

CHAIRMAN

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Minute no	Item	Recommendation made *items remain for monitoring until implementation is complete or committee agree to remove.	Recommended to *name of receiving body/ Officer, and date received	Outcome *accepted/ partially accepted/ rejected/ unknown.	Implementation updates
Recommendations from Committee meeting – insert date					

Minute no	Item	Action Items remain until action complete	Who	Outcome
Meeting date: 28 May 2026 (core meeting)				
7	**Action Sheet**	In relation to items added to the Forward Plan, contact lead Director to check progress of report on Governance of Lower Central Gardens (currently scheduled for November)	HAMA	
		Include a recommendation tracker as part of action sheet	DS	To be added as and when recommendations are agreed
9	**External Auditor – Audit Progress & Sector Update**	Committee requested that further information be provided on the financial assumptions underpinning the SEND reform programme	CFO	
11	**Governance Process for Regeneration (Carter's Quay)**	The Committee agreed that further questions and proposed recommendations would be submitted to officers, copying all Committee Members	Committee	Questions were received by the officer which will be reviewed and feed into a future report. Additional

Minute no	Item	Action Items remain until action complete	Who	Outcome
				briefings could be considered.
		Officers would respond to those points	DID & MO	
		Following consultation with the Committee, the Chair would prepare a report setting out the Committee's findings and recommendations	Chair	
		It was further agreed that officers would review that report to confirm what information could be released into the public domain	MO	
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	CFO in conjunction with other officers to bring an update report for the 30 July meeting.
Meeting date: 26 February 2026 (non-core meeting)				
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
103	**Risk Management Policy**	Raise awareness of new Risk Management Policy with Overview and Scrutiny Chairs	Chair	To be completed after July 2026 committee
Meeting date: 27 November 2025 (non-core meeting)				

Minute no	Item	Action Items remain until action complete	Who	Outcome
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	IR2 referred to CRWG and now forms a workstream which will be reported back to the Committee in due course
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)* *At subsequent committee on 15.1.26 it was agreed to include the partial audit opinion on Out of Borough Placements in this discussion.	Chair	Chairs have discussed with each other and with officers the most effective way of facilitating. 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

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
DID	Director of Investment and Development

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**External Auditor – Regaining Assurance Progress Report & Sector Update**
Meeting date	30 July 2026
Status	Public Report
Executive summary	Grant Thornton, as the Council's appointed External Auditors, has produced a report (Appendix A) which provides an update to the Audit & Governance Committee on their progress to date in delivering their responsibilities and provides an update on the following key areas of work: Financial Statements Audit 2025/26 • Presented the audit plan for 2025/26 to the Council's Audit and Governance Committee on 19 March 2026. • The expectation was that all Local Authorities would publish their unaudited accounts for 2025/26 by 30 June 2026. The Council achieved this ahead of schedule, publishing its accounts on 12 June 2026 and commencing the public inspection period on the 15 June 2026. This represents a significant achievement and demonstrates the Council's commitment to improving the timeliness of its financial reporting. • Audit fieldwork commenced the same week, and sample selection is already underway. To maintain this positive progress and ensure delivery of the audit by the November deadline, it is important that audit queries receive timely responses and that supporting working papers are of a high quality. 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. After the backstop • Rebuilding assurance across local government accounts remains an ongoing sector-wide challenge. • The next statutory backstop dates are 31 January 2027 for 2025/26 accounts and 30 November 2027 for 2026/27 accounts. • The Council and Grant Thornton have agreed to complete the 2025/26 audit by November 2026 to support timely delivery of the 2026/27 audit.

	Regaining assurance • Local audit recovery – Rebuilding assurance remains the priority, with MHCLG requesting assurance capacity assessments by 31 July 2026. • Previous audits – Audit opinions for 2022/23, 2023/24 and 2024/25 were disclaimed due to the backstop arrangements. • Grant Thornton's Regaining Assurance Strategy (see Appendix B) sets out a phased approach to rebuilding assurance. Sector Updates The report also includes a summary of emerging national issues and developments that may be relevant to the Council.
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.

Regaining Assurance Progress Report & Sector Update

3. The attached report (Appendix A) outlines the progress made by Grant Thornton in delivering their responsibilities as the Council's external auditor and provides an update on the following key areas of work:

Progress as at July 2026

Financial Statements Audit 2025/26

- Presented the audit plan for 2025/26 to the Council's Audit and Governance Committee on 19 March 2026.
- The expectation was that all Local Authorities would publish their unaudited accounts for 2025/26 by 30 June 2026. The Council achieved this ahead of schedule, publishing its accounts on 12 June 2026 and commencing the public inspection period on 15 June 2026. This represents a significant achievement and demonstrates the Council's commitment to improving the timeliness of its financial reporting.
- Audit fieldwork commenced the same week, and sample selection is already underway. To maintain this positive progress and ensure delivery of the audit by the November deadline, it is important that audit queries receive timely responses and that supporting working papers are of a high quality.

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.

After the backstop, regaining assurance

After the backstop

- Rebuilding assurance across local government accounts remains an ongoing sector-wide challenge.
- The next statutory backstop dates are 31 January 2027 for 2025/26 accounts and 30 November 2027 for 2026/27 accounts.
- The Council and Grant Thornton have agreed to complete the 2025/26 audit by November 2026 to support timely delivery of the 2026/27 audit.

Regaining assurance

- Local audit recovery – Rebuilding assurance remains the priority, with MHCLG requesting assurance capacity assessments by 31 July 2026.
- Previous audits – Audit opinions for 2022/23, 2023/24 and 2024/25 were disclaimed due to the backstop arrangements.
- Grant Thornton's Regaining Assurance Strategy (see Appendix B) sets out a phased approach to rebuilding assurance following the disclaimer opinions issued under the national backstop arrangements. While a disclaimer is expected again for 2025/26, the auditor's current assessment is that BCP Council is on a trajectory towards a qualified opinion in 2026/27 and a return to an unmodified audit opinion in 2027/28, subject to successful completion of the build-back programme and continued support from the Council.

Sector Updates

4. The report also includes a summary of emerging national issues and developments that may be relevant to the Council, as a local authority, including:

    - Welcome to new members, and recommended actions
    - Webinar for Audit Committees and other interested parties
    - Devolution and local government reorganisation
    - Latest changes to laws and regulations
    - Lessons from Auditor's Annual Reports on Managing Dedicated Schools Grant Deficits
    - CIPFA Bulletin 23 –Closure of the 2025/26 financial statements
    - Valuing people
    - Neighbourhood health frameworks
    - Fit for purpose - partnerships and procurement

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

7. There are no legal implications from this report.

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

11. There are no equality implications from this report.

Summary of risk assessment

12. There are no direct risk implications from this information report. However, timely completion of the 2025/26 audit remains important to the Council's wider programme of rebuilding audit assurance and meeting future statutory reporting deadlines.

Background papers

None

Appendices

Appendix A – BCP Council - Regaining assurance progress report and sector update
Appendix B – BCP Council - Regaining Assurance Strategy

Grant Thornton

Bournemouth, Christchurch and Poole Council

Regaining assurance progress report and sector updates

July 2026

Agenda

30

Progress as at July 2026

Financial Statements Audit

We presented our audit plan for 2025/26 to the Council's Audit and Governance Committee on 19 March 2026.

The expectation was that all Local Authorities would publish their unaudited accounts for 2025/26 by 30 June 2026. The Council achieved this ahead of schedule, publishing its accounts on 12 June 2026 and commencing the public inspection period on the 15 June 2026. This represents a significant achievement and demonstrates the Council's commitment to improving the timeliness of its financial reporting.

Audit fieldwork commenced the same week, and sample selection is already underway. To maintain this positive progress and ensure delivery of the audit by the November deadline, it is important that audit queries receive timely responses and that supporting working papers are of a high quality.

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.

After the backstop, regaining assurance

After the Backstop

We ask Audit Committees should challenge their councils on the effectiveness of work to rebuild external audit assurance.

On 26 March 2026, the government published the names of 22 councils and one combined authority that missed the local audit backstop deadline on 27 February 2026.

The number that missed the 27 February 2026 deadline was more than 50% lower than one year before, on 28 February 2025, when 53 local government bodies missed the deadline.

However, PSAA data demonstrates that restoring assurance following the issuance of a disclaimer of opinion is a gradual process that requires time and sustained effort:

- 47.3% of all opinions that met the February 2025 backstop date were disclaimed.
- This number only fell to 41.1% one year later for all opinions that met the February 2026 backstop date.

Rebuilding assurance over English local government accounts remains a work in progress for many. With responsibilities and opportunities for the sector expanding rapidly, councils need to continue working with auditors to secure the financial transparency expected of pivotal players in government.

The next statutory backstop dates fall on:

- 31st January 2027, for the publication of audited 2025/26 financial statements; and
- 30 November 2027 for the publication of audited 2026/27 financial statements.

We have agreed with the Authority to complete the 2025/26 financial statements audits by the end of November 2026 in preparation for the 2026/27 financial statements audit.

We set out recommendations for Audit Committees in our recent report: Local audit reset: What comes after the backstop? | Grant Thornton

- 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.

Regaining assurance

Local audit recovery update

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of old year transactions, where these were not subject to audit procedures, there will be uncertainty as whether reserves have been properly accounted for.

The National Audit Office (NAO) published guidance in September 2024 for auditors, as part of its Local Audit Reset and Recovery Guidance (LARRIG) series. This sets out key considerations that may assist auditors in regaining assurance at audited bodies where the audit report has been disclaimed due to the backstop.

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- assess risk at an entity wide level;
- assess risk at a line item level including in respect of specific balances and reserves; and
- determine a response to risk, including appropriate testing of prior year transactions.

For many authorities a reasonable pathway exists through the application of the auditing standards to where the auditor may issue an opinion that is based upon sufficient appropriate audit evidence. The guidance is clear that the timeframe in which this can be achieved will vary depending on the circumstances of individual engagements. It is also clear that there will be authorities where it may not be possible to recover assurance solely through the application of the auditing standards.

The first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in year transactions and closing balances for the current audit year. Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance.

The Ministry of Housing, Communities and Local Government has requested an assessment by 31 July 2026 of capacity for rebuilding assurance. This needs to be shared with PSAA and with the Audit Committee.

Regaining assurance

Previous years' audits

For the year 2022/23, the authority audit opinion was disclaimed under the backstop. The impact of this disclaimed audit report has been no assurance over your 2023/24 opening balances.

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits, requiring audited financial statements to be published by certain dates. As a result of these backstop dates, a disclaimer of opinion was issued for each of the 2022/23, 2023/24 and financial year.

As a result, for 2025/26:

- we have limited assurance over the opening balances for 2025/26, particularly those relating to PPE; and
- we have limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

The Authority has received grant funding of £113,082 under a Section 31 Grant Determination to support the build-back of assurance. The government has set out its expectation that local authorities and audit firms work closely together to enable this build back to happen. Our agreed plan to work with you to regain assurance is detailed overleaf.

Regaining assurance (continued)

2025/26 and future years

The Authority is required to publish audited financial statements for the 2025/26 financial year by 31 January 2027. As part of our audit planning, we have agreed to complete your audit by 30 November 2026.

Our aim for the 2025/26 audit has been to continue with rebuilding assurance, therefore our focus will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances. The supporting paper on our Regaining Assurance Strategy includes an example illustrating how this may impact the audit opinion.

We have discussed and agreed the strategy and trajectory for rebuilding assurance, with the Section 151 Officer and Chief Officer. We will continue to work in accordance with this plan, with the Authority's ongoing support and cooperation.

If we are able to continue to complete planned work on in-year transactions and closing balances, with no issues arising, over this year and the coming years we could regain assurance over many balances and transactions in the financial statements. We plan to commence this build back of assurance in January 2027.

As a result of the disclaimer of opinion issued for the previous three financial years, and a lack of assurance over opening balances for the previous audit year we do not expect to be able to undertake sufficient work to support an unmodified audit opinion on the 2025/26 financial statements in advance of the backstop date.

Sector Updates

Welcome to new members, and recommended actions

Recommended actions for members joining English councils for the first time.

The May 2026 local elections brought seismic changes to English council membership, and we extend a warm welcome to all new joiners.

There were significant changes to council control in many areas, coupled with new “firsts” such as the first Green mayor and, in many areas, new councillors now sitting for their first time. The fact that the number of councils with “No Overall Control” increased by more than 50% (rising from 41 to 64) highlights a shift towards multi-party politics; and the fact that politicians from very different ends of the political spectrum are now going to have to work together.

Immediate impacts for the business of local government are going to include:

- **New scrutiny:** High number of new declarations of interest and scrutiny checks to process, which in some cases may lead to further councillor turnover.
- **Higher workload for Democratic Services:** High number of councillors needing briefings for the first time on the day-to-day business of government, necessitating rapid building of effective relationships with officers.
- **Co-operation:** Effective decision-making will depend on co-operation between councillors who have no previous experience of working together.

We recommend key actions for new members:

- Use our report on Preventing failure . This includes a checklist of the various roles and responsibilities and duties and powers of the main committees and officers in the system.
- Enquire with your Grant Thornton Engagement Lead about Local Government Governance training we can provide.
- **Build an effective relationship with your Legal and Democratic Services team** to stay abreast of change. Local government structures and the legal and regulatory environment are rapidly evolving.
- **Promote financial transparency and a people-centric approach** as the sector, and millions of people who work within it and for it and with it, gear up to take on many new responsibilities.
- Familiarise yourself with the code of conduct and stay guided by The Seven Principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

Webinar for Audit Committees and other interested parties

We invite you to register attendance at our fourth webinar for Audit Committee members and other interested parties.

Audit Committee members and other interested parties are invited to join us at a webinar on 2nd July 2026 from 4pm until 5.30 pm, to learn more about:

- The roles and responsibilities of the Audit Committee Chair and members;
- The systems, structures and behaviours needed to perform as an effective Committee;
- The importance of Audit Committee self-assessment;
- Connections between the role performed by the Committee and other parts of the governance framework – Full Council, Cabinet and Scrutiny;
- Current local government sector trends, and the importance of the new Local Audit Office; and
- Resources available for support.

Audit Committees play a pivotal role in safeguarding governance in the local government sector. An effective Audit Committee can be the gatekeeper for standards and compliance; and the guard against weakness in arrangements. Our webinar will include an opportunity for questions and answers, and give you everything you need to move forward with confidence.

Please register your place here: Effective audit committees in local government | Grant Thornton

We look forward to welcoming you.

Devolution and local government reorganisation

Audit Committee are encouraged to review our good practice checklist and reach out for latest technical updates.

Latest key developments to be aware of:

- 25th March 2026 – Government decisions published on unitary structures for four of the six Devolution Priority Programme (DPP) areas. Next steps published for the remaining two areas. Written statements - Written questions, answers and statements - UK Parliament
- 29th April 2026 – Royal Assent given to the English Devolution and Community Empowerment Act, enhancing powers and responsibilities for strategic authorities; establishing combined authorities; and strengthening local audit arrangements. English Devolution Bill receives Royal Assent - GOV.UK
- 7th May 2026 – First shadow elections held in East and West Surrey. Surrey Local Elections May 2026 results – Surrey LGR Hub

Key future dates to be aware of:

Three councils have been reported as mounting legal challenges to reorganisation. Subject to the outcome of their challenges, remaining key dates to be aware of are:

- April 2027 – Surrey shadow authorities' vesting day.
- May 2027 – Shadow elections - all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- April 2028 – Vesting day for all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- May 2028 – Shadow elections Sussex and Brighton Devolution Priority Programme areas.

Recommended reading:

- A good practice checklist for councils embarking on LGR can be found in our report: Learning from the new unitary councils.
- Audit Committees can request updated technical guidance reflecting latest developments from their Engagement Lead.

Latest changes to laws and regulations

For information: Recent legal and regulatory changes that Audit Committees need to be aware of.

Changes that Audit Committees need to be aware of:	Dates	Further information
English Devolution and Community Empowerments Act	29th April 2026 – Royal Assent	Enhanced powers and responsibilities for local government, and new local audit arrangements
Renter Rights Act	1st May 2026 – Officially took effect	Introduces new duties for local authorities to take enforcement action for beaches and tenancy law by private landlords
Social Housing Renewal Bill	13th May 2026 – King's Speech	Changes to eligibility requirements, discount rules and exemptions planned for Right to Buy
Overnight Visitor Levy Bill	13th May 2026 – King's Speech	Mayors and potentially other local leaders to be able to change new tourist taxes
Education for AI Bill	13th May 2026 – King's Speech	Planned changes to arrangements for young people with Special Educational Needs and Disabilities
Public Office (Accounting Bill)	13th May 2026 – King's Speech	Introduces new duties of candour for local authorities and other public bodies
Town and Country Planning (local Planning) (England) Regulations 2026	25th March 2026 – Statutory Instruments	New system introduced for Local Plans
Combined Authorities (overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Order 2026	14th May 2026 – Statutory Instruments	Provides a formal mechanism for setting commissioner allowances in Combined Authorities and Combines County Authorities
Sporting Events Bill	14th May 2026 – Impact Assessment and DCMS Memorandum	Proposes new enforcement powers for local authorities in ticketing protection

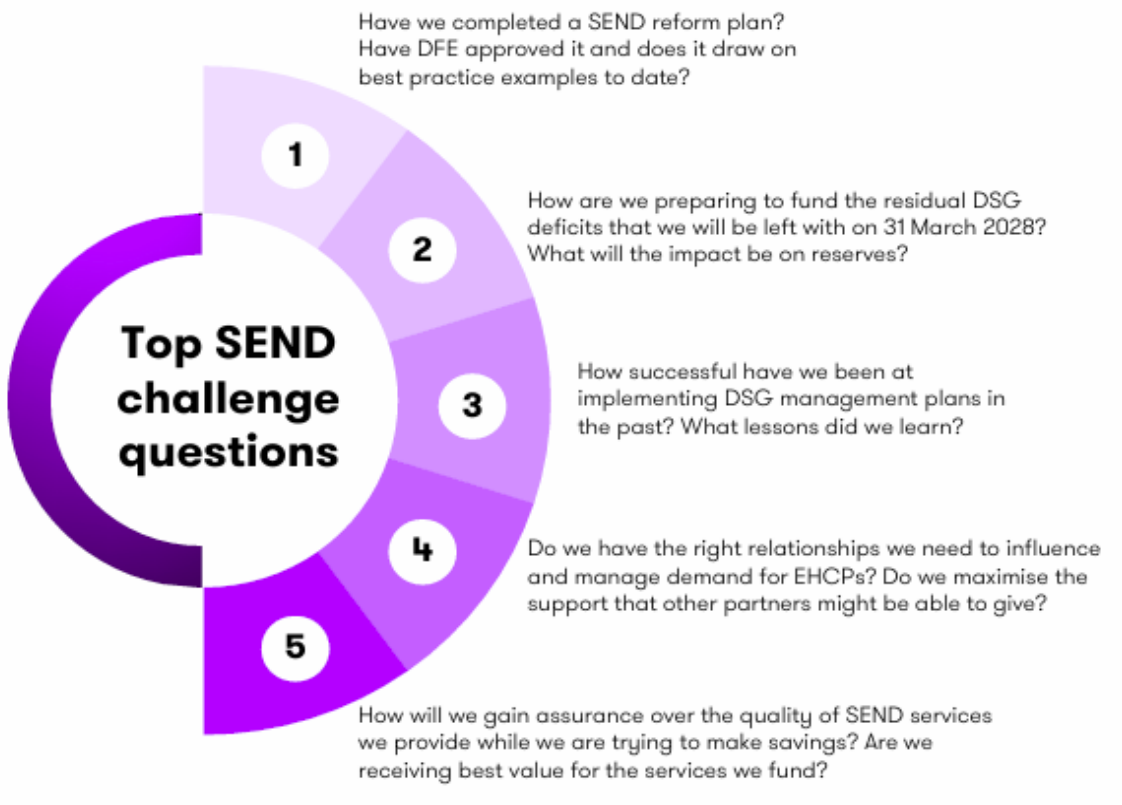
Lessons from Auditor's Annual Reports on Managing Dedicated Schools Grant Deficits

For information: Residual SEND related risks to be aware of, despite proposed reform.

Our latest report on Lessons from Auditors' Annual Reports, published on 20th May 2026, highlights lessons for Managing Dedicated Schools Grant Deficits.

- New commitments by the government to fund up to 90% of Dedicated Schools Grant deficits on 31st March 2026, if Councils can agree SEND reform plans for their area with the Department for Education (due by 19th June 2026);
- The financial risks that councils will face once statutory override ends on 31st March 2028;
- Difficulties encountered so far by councils in effective planning for the management of DSG deficits;
- The benefits of working proactively with psychologists, teachers and families to make the most of current arrangements; and
- The importance of maintaining quality and efficiency in SEND service.

With the arrival of the Education for All Bill, Audit Committee members are encouraged to ask their councils:



CIPFA Bulletin 23 – Closure of the 2025/26 financial statements

CIPFA has issued Bulletin 23 (April 2026) to support authorities in preparing the 2025/26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025/26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- It applies to most property, plant and equipment, excluding council dwellings, along with leased assets if measured at valuation.
- Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- In rare cases where no index is available a desktop valuation is required in year three.

For a full copy of Bulletin 23, see CIPFA Bulletin 23 – Closure of the 2025/26 financial statements | CIPFA

More detailed guidance on indexation is available in CIPFA's CIPFA Bulletin 22 Indexation application guidance | CIPFA

Dedicated Schools Grant (DSG) high needs stability grant

The bulletin highlights that the grant is subject to conditions, including the requirement to obtain Department for Education approval of a local SEND reform plan.

Authorities will need to consider their specific facts and circumstances (which may vary) to determine the appropriate treatment within their own 2025/26 accounts, including:

- whether or not grant income should be recognised.
- whether disclosures are necessary (eg contingent assets, events after the reporting period).

Audit Committees can help by asking:

- What assurance is available that the indexation applied is appropriate for the authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?
- If applicable, does the treatment of high needs stability grant appropriately reflect the requirements of the CIPFA Code, including the timing of income recognition and transparency of disclosures?

Valuing people

For information: Audit Committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government reorganisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

CQC is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 "Quality Statements" with 24 "Key Lines of Enquiry", looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC's change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.

Neighbourhood health frameworks

Audit Committees need to ask their councils what steps are being taken to prepare for changes in the way they work with the NHS.

A new policy paper on Neighbourhood health frameworks was published on 17th March 2026 – setting out plans to create a new "neighbourhood health service". This:

- Builds on ambitions first set out by the government in 2025 to move the focus of health care from hospital treatment to community prevention; and
- sets out expectations for neighbourhood level partnership working across the health and care system from 2027/28 onwards (with the NHS, local authorities and community and voluntary partners).

As the NHS is embarking on a period of restructuring, and local government is reorganising at the same time, councils will need to be clear about what their responsibilities are; how they will agree local neighbourhood health objectives with partners; and how they will measure progress.

Audit Committees can help by asking officers:

- What are the risks for our council, and how are these mitigated?
- How do we identify key public health partners and agree strategic objectives with them?
- How will we measure neighbourhood health achievements?

Fit for purpose - partnerships and procurement

Audit Committees need to ask their councils how robust their leisure partnerships and procurement are.

Whilst high profile government announcements in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

SOLACE and Alliance Leisure held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- Co-locating libraries and community services with leisure centres; and
- Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to be develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.

In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), appointed administrators following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Audit Committees can help by asking officers:

- Are our services for residents and schools at risk?
- When was the last time we checked the financial health of our contract operators?
- Do we have a register of community and voluntary sector partners that we are co-delivering social and health prevention impacts with?
- When was the last time our leisure estates strategy was updated? Are we optimising the use of the estates that we have?
- How are we measuring the performance of our leisure estates and leisure contracts?
- Where applicable, what oversight is the health scrutiny committee exercising?

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

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-iias-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

Grant Thornton

Regaining Assurance Strategy for Bournemouth, Christchurch and Poole Council

July 2026

Grant Thornton

Bournemouth, Christchurch and Poole Council
Civic Centre
Boure Avenue
Bournemouth
BH2 6DY

1 July 2026

Dear Audit and Governance Committee

Regaining Assurance Strategy for Bournemouth, Christchurch and Poole Council

This report sets out our plan to rebuild audit assurance at Bournemouth, Christchurch and Poole Council (the Authority) following the disclaimer of opinion issued under the statutory backstop for the years ended 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022, 31 March 2021. This plan has been agreed with management and will be communicated to the Ministry of Housing, Communities and Local Government (MHCLG) in July 2026. Our latest Audit Committee progress report contains a high level update on the authority's latest audit report and strategy for regaining assurance. This report gives further detail on the strategy to regain assurance.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Barrie Morris

Partner
For Grant Thornton UK LLP

Contents

Key messages

Audit Report

We anticipate our audit report will be modified.

Following disclaimed audit reports for the years 2022/23 to 2024/25, we do not expect to be able to support an unmodified opinion on the 2025/26 financial statements. Our audit focus is on 2026 in-year transactions and closing balances, with sign-off targeted for 30 November 2026.

Authority

Delivery depends on the Authority

Successful build-back requires high-quality draft accounts, comprehensive working papers, timely audit access and continued focus on internal controls. We have discussed and agreed the strategy and trajectory for rebuilding assurance with the Section 151 Officer. The fee will be agreed and reported to the Audit Committee in due course. £113,082 Of Section 31 grant funding has been provided to resource the work.

Trajectory

Year-year plan to unmodified by 2030/31

Aligned to NAO LARRIG guidance, with phased build-back of assurance over opening balances, reserves, property and pensions across the 2026/27 to 2027/28 audits.

MHCLG capacity assessment

We have assessed the Authority as Category B.

An assessment is required by 31 July 2026 covering build-back timing, opinion trajectory and key risks. More detail is available on page [6].

Background

What and why

As part of the regaining assurance process we are engaging with MHCLG and PSAA as key stakeholders in monitoring and supporting the agenda across the sector.

MHCLG and PSAA have made a joint request for us to provide information for each body subject to the build-back process. The requested information includes a capacity assessment for each body, to be produced with input from both the audit team and the audited body.

The assessment is intended to give MHCLG and PSAA a more granular understanding of: progress of build-back work to date; planned timing of future work; the year in which a qualified opinion and an unmodified opinion are likely to be achieved; key audit risks; the audited body's capacity to support the build-back; and any significant constraints, including restrictions on the auditor's capacity.

Process

The following pages set out our response.

The information will be used by MHCLG to:

- Better understand the nature and impact of key risks and constraints on the build-back process
- Identify and/or evaluate any significant problems that would benefit from further policy intervention and develop appropriate solutions.
- To develop reliable estimates of the overall cost and timescale of the build-back process and support the review of the build-back grant funding model in autumn 2026.
- To support the government's stewardship of local authorities (including in relation to Local Government Reorganisation) and other bodies by identifying bodies for which an ISA-compliant build-back is unlikely to be possible by the end of 2027/28 and the reasons for this.

Overall assessment and key risks

Under the MHCLG capacity assessment framework, we have provisionally assessed this audit as Category B. The framework categorises audits as follows:

A	B	C	D
Capable of an ISA-compliant approach within the build-back period, relatively straightforward.	Capable of an ISA-compliant approach, but with significant operational difficulties.	Not capable of an ISA-compliant approach by 2027/28 due to practical constraints (adequate systems in principle).	Not capable of an ISA-compliant approach by 2027/28 due to major systemic problems.

Principal factors supporting our assessment

Technical challenges

The finance team may have difficulties gaining access to relevant systems to obtain information needed for testing purposes.

Audited body capacity

There is a risk that the finance team may potential loss of knowledge due to the departure of team members. This could impact the quality of supporting working papers and evidence provided.

Expected audit report trajectory

Our planning estimate of when our audit report is expected to transition from disclaimed to qualified, and from qualified to unmodified, is set out below. These are planning estimates only; they cannot be taken as a commitment or guarantee as to the opinion eventually issued for a given year.

2024/25	2025/26	2026/27	2027/28
Disclaimed	Disclaimed	Qualified	Unqualified
Disclaimed opinion issued on 25 February 2026.	A disclaimer of opinion expected. Focus on in-year transactions and closing balances. Sign-off targeted for 30 November 2026, ahead of the 31 January 2027 backstop date.	Focus on in-year transactions and closing balances.	Unmodified opinion anticipated, subject to satisfactory completion of the build-back work programme and absence of any new significant issues.

What the opinion types mean

Unmodified (clean): the financial statements give a true and fair view, in all material respects.

Qualified ("except for"): true and fair, except for one or more identified areas where we could not obtain sufficient evidence or where we disagree with the accounting treatment.

Disclaimer of opinion: we could not obtain sufficient evidence to form any opinion — effectively, no audit assurance.

Build-back work programme

The table below summarises when we plan to undertake build-back work for each audit area. It is consistent with the information we will submit to MHCLG within the capacity assessment by 31 July 2026.

Audit area	Timing and approach
Statutory reserves	Staged substantive testing across 2025/26 to 2027/28 audits, aligned to NAO LARRIG.
Property assets	2025/26 through 2027/28 audits — rolling valuation programme and testing of historic additions/disposals.
Pension deficit / surplus	2025/26 audit onwards — reliance on IAS 19 actuarial reports for current year; build-back of prior-year movements.
Long-term debtors and creditors	Substantively covered each audit year from 2025/26 onwards.
Working balances (cash, receivables, payables)	Largely covered through 2025/26 testing of in-year transactions and closing balances.
Other audit work (journals, payroll, grants, disclosures)	Substantively covered each audit year from 2025/26 onwards.

We will refresh this timetable and in subsequent Audit Findings Reports if material changes arise.

Regaining assurance

The below is a simplified illustration of how our build back work programme might build assurance over the coming years' audits:

2025/26 audit process

	24/25	25/26	
CIES	G	G	Assurance over the opening 2024/25 position
PPE	A	A	Assurance gained over three years of valuations
Pensions	G	G	Triennial valuation of pension fund completed and reported
Other assets & liabilities	G	G	Assurance over all material balances at 31/03/26
Reserves	R	R	No assurance over reserve balances at 31/03/26

2026/27 audit process

	25/26	26/27	
CIES	G	G	Assurance over the opening 2025/26 position
PPE	A	A	Assurance gained over four years of valuations
Pensions	G	G	Triennial valuation of pension fund completed and reported
Other assets & liabilities	G	G	Assurance over all material balances at 31/03/27
Reserves	R	A	Reserves build back work complete, but uncertainty over top of balance sheet

2027/28 audit process

	26/27	27/28	
CIES	G	G	Assurance over transactions in both years
PPE	A	G	Assurance gained over five years of valuations
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over all material balances at 31/03/28
Reserves	A	G	Assurance over reserves balance

Reserves balances

The Authority is required to present its reserves balances in a prescribed manner, with distinct balances arising from statutory requirements and ringfences. These reserves are complex and have no audit assurance for 3 years.

R	No assurance
A	Partial assurance
G	Adequate assurance

Next steps and timetable

The key milestones in the regaining assurance programme are set out below.

February 2026

Completion of 2025/26 interim audit work and risk assessment.

30 June 2026

Submission of draft 2025/26 financial statements.

31 July 2026

MHCLG capacity assessment submitted, with Authority's comments where available.

November 2026

Issue the audit report for the year ended 31 March 2026.

31 January 2027

2025/26 backstop date for publication of audited financial statements.

January 2027

Potential commencement of build-back work.

March 2027

Commencement of 2026/27 audit and next phase of build-back.

2028/29 audit

Target year for return to unmodified opinion, subject to satisfactory progress.

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Treasury Management Outturn 25-26 and Q1 26-27**
Meeting date	30 July 2026
Status	Public
Executive summary	This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2025 to 31 March 2026. An underspend of £1.1m was the achieved against budget. The council saw higher than expected cash balances during the year increasing interest receivables from investments. This resulted from borrowing being arranged in advance of needs, at preferential rates, to ensure availability in March. The ability to utilise lower borrowing rates than budgeted also resulted in an underspend on sort term borrowing costs. The report also sets out the Quarter One performance for 2026/27 which forecasts no variance to budget.
Recommendations	**It is recommended that Audit & Governance Committee:** 1) note the reported activity of the Treasury Management function for 2025/26 **note the reported activity of the Treasury Management function for April to June 2026** It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members. **Council is required to approve any changes to the prudential indicators based on a recommendation from the Audit & Governance Committee.**
Reason for recommendations	**It is recommended that Audit & Governance Committee:** 2) note the reported activity of the Treasury Management function for 2025/26 note the reported activity of the Treasury Management function for April to June 2026

Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Russell Oakley, Finance Manager – Technical Sarah Darkes, Corporate Accountant
Wards	Not applicable
Classification	For information and recommendation

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.

2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2021).

3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.

4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments and compliance with prudential indicators.

Economic Background (MUFG Treasury Services)

5. The Bank of England's Monetary Policy Committee (MPC) has held the Bank Rate at 3.75% since 18th December 2025. Previously forecast cuts in interest rate have not been realised due to the conflict in the Middle East.

6. Economic uncertainty caused by this conflict and rising energy prices resulted in a minority of members voting to raise rates in the last two meetings. Despite this interest rate forecasts anticipate the base rate will remain at 3.75% this year, before falling to 3.5% by the end of 2027 and 3.25% in Spring 2028.

7. CPI inflation stuck at 2.8% in April and May 2026, having fallen to 3.0% at the start of Q4, global events and uncertainty of energy prices saw a rise to 3.3% in March.

8. Markets have seen a delayed impact of energy price shocks in Q1 but expect to see increased CPI over the remainder of the financial year, peaking at 3.6%, before an expected fall back to 2% next year driven by weak labour market and a soft economic backdrop.

9. The 10-year guilt yield fluctuated between 5.18% and 4.69% before ending the quarter at 4.76%. This rally in Gilts has also been supported by the Bank of England keeping rates on hold.

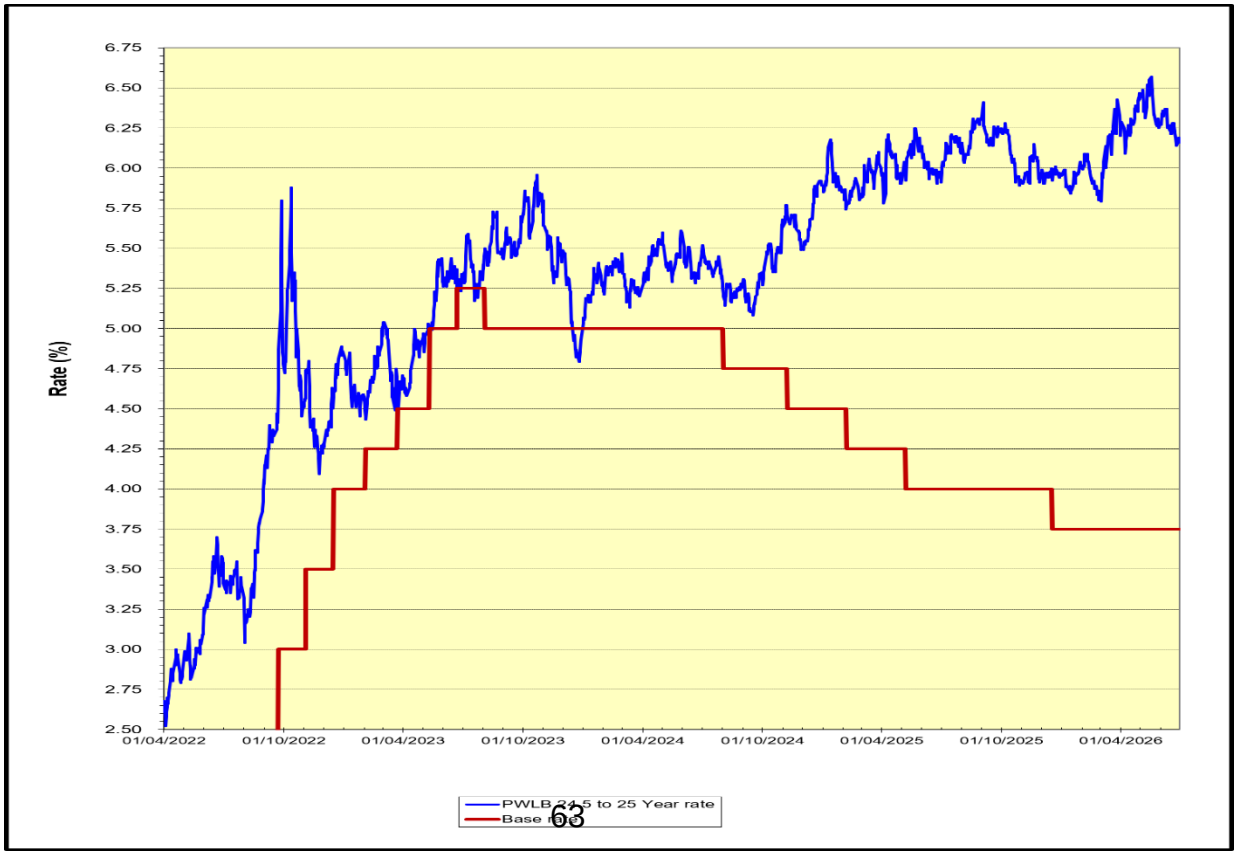
Interest Rates

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

Table 1: Interest rate projection (MUFG Corporate Markets)

Interest Rate Forecasts								
Bank Rate	**Sep-26**	**Dec-26**	**Mar-27**	**Jun-27**	**Sep-27**	**Dec-27**	**Mar-28**	**Jun-28**
MUFG CM	3.75%	3.75%	3.75%	3.75%	3.50%	3.50%	3.25%	3.25%
Cap Econ	3.75%	3.75%	3.75%	3.75%	3.25%	3.00%	-	-
5Y PWLB RATE								
MUFG CM	5.00%	4.90%	4.80%	4.60%	4.40%	4.20%	4.20%	4.10%
Cap Econ	4.90%	4.70%	4.60%	4.60%	4.50%	4.40%	-	-
10Y PWLB RATE								
MUFG CM	5.50%	5.40%	5.30%	5.10%	4.90%	4.70%	4.70%	4.60%
Cap Econ	5.50%	5.30%	5.30%	5.20%	5.10%	5.10%	-	-
25Y PWLB RATE								
MUFG CM	6.00%	5.90%	5.80%	5.60%	5.40%	5.20%	5.20%	5.20%
Cap Econ	6.10%	5.80%	5.80%	5.70%	5.60%	5.50%	-	-
50Y PWLB RATE								
MUFG CM	5.80%	5.70%	5.50%	5.40%	5.20%	5.00%	5.00%	5.00%
Cap Econ	5.80%	5.50%	5.40%	5.30%	5.30%	5.20%	-	-

Table 2: PWLB Historical Rates Information (April 2022 to date)



Treasury Management Performance 2025/26

11. Table 3 below shows the final overall treasury management position for 2025/26 which underspent against the budget by £1.1m. Investment income showed a £0.8m surplus as cash required into April 2026 was secured early, to avoid rising interest rates, resulted in higher cash balances to invest.

12. The interest paid on borrowing was £0.3m under budget. This is a result of the councils continued ability to utilise lower borrowing rates in the local authority market than budgeted, which was based on PWLB interest rates. No long-term borrowing was taken out in 2025/26.

Table 3: Treasury Management Performance 2025/26

	Actual 2025/26 £'000	Budget 2025/26 £'000	Variance 2025/26 £'000
Expenditure			
Interest Paid on Long Term Borrowings	2,866	2,920	(54)
Interest Paid on Short Term Borrowings	5,920	6,236	(316)
Broker Fees	252	252	0
Income			
Investment Interest Received	(2,067)	(1,105)	(962)
Deductions from general fund	653	450	203
Total	**7,624**	**8,753**	**(1,129)**

Borrowing

13. The Council has adopted a two-pool approach to debt management, separating the debts of the General Fund (Pool 1) and the Housing Revenue Account (HRA) (Pool 2). The HRA pool is a combination of both the Poole and Bournemouth Neighbourhood HRA accounts.

14. Table 3 and 4 below shows the closing level of borrowing for the Council's two loans pool.

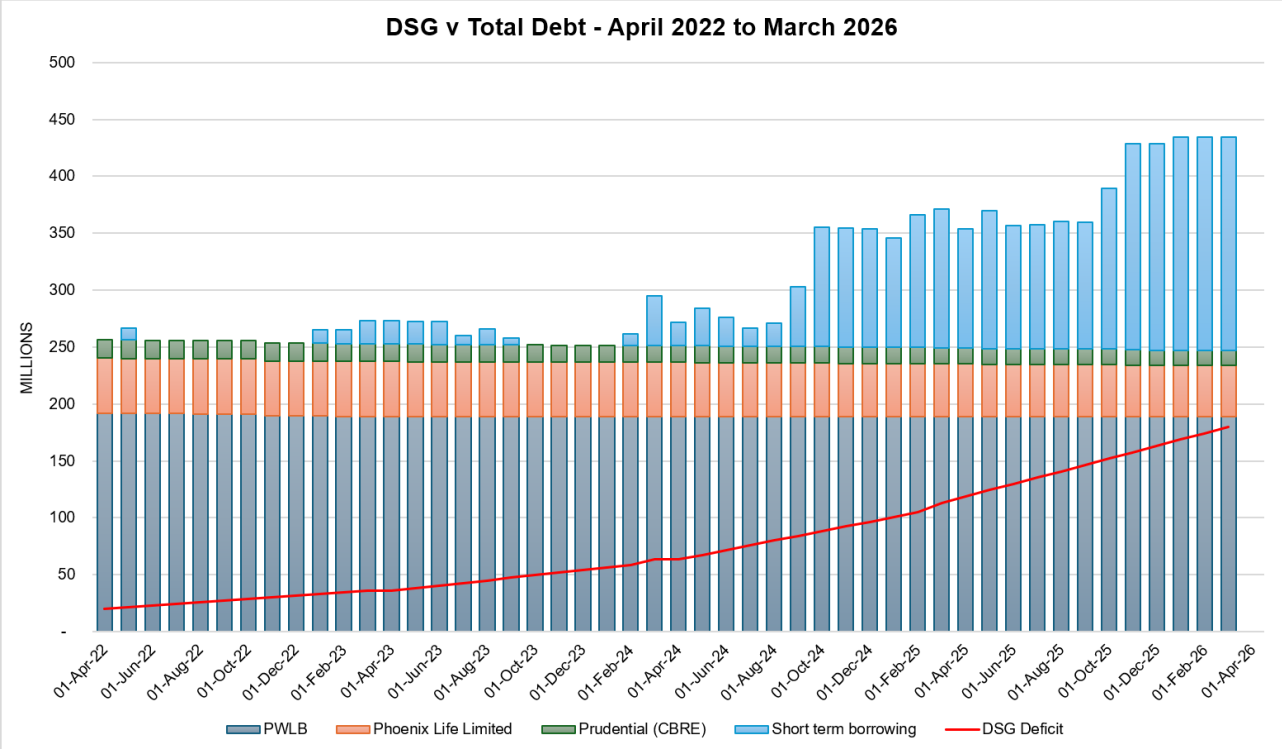
Table 4: Council Short Term Borrowings as at 31 March 2026

Initial Loan Value £'000	Interest Rate	Balance as at 31 March 2026 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
5,000	4.60%	5,000	07-Apr-2026	5,000	-	Causeway Coast and Glens Borough Council
5,000	4.10%	5,000	07-Apr-2026	5,000	-	Harborough District Council
5,000	4.60%	5,000	07-Apr-2026	5,000	-	PCC for West Midlands
5,000	4.60%	5,000	07-Apr-2026	5,000	-	PCC for West Midlands
15,000	4.12%	15,000	15-Apr-2026	15,000	-	West Yorkshire Combined Authority
5,000	4.15%	5,000	17-Apr-2026	5,000	-	Rugby Borough Council
5,000	4.50%	5,000	17-Apr-2026	5,000	-	South Ribble Borough Council
10,000	5.15%	10,000	17-Apr-2026	10,000	-	St Helens MBC
10,000	7.10%	10,000	21-Apr-2026	10,000	-	Birmingham City Council
3,000	4.10%	3,000	24-Apr-2026	3,000	-	Merseyside Fire & Rescue Authority
10,000	4.60%	10,000	30-Apr-2026	10,000	-	London Borough of Croydon
5,000	4.80%	5,000	30-Apr-2026	5,000	-	Furness Building Society
4,000	4.50%	4,000	05-May-2026	4,000	-	Arun District Council
5,000	4.60%	5,000	07-May-2026	5,000	-	Tamworth Borough Council
5,000	4.60%	5,000	07-May-2026	5,000	-	Torbay Borough Council
5,000	4.10%	5,000	08-May-2026	5,000	-	London Borough of Islington
5,000	4.60%	5,000	11-May-2026	5,000	-	West Yorkshire Pension Fund
5,000	4.50%	5,000	18-May-2026	5,000	-	Devon County Council Pension Fund
5,000	5.15%	5,000	19-May-2026	5,000	-	Devon County Council
5,000	4.25%	5,000	22-May-2026	5,000	-	PCC for Hampshire
5,000	4.50%	5,000	26-May-2026	5,000	-	Milton Keynes Council
5,000	4.60%	5,000	26-May-2026	5,000	-	London Borough of Havering
5,000	5.00%	5,000	27-May-2026	5,000	-	Torfaen County Borough Council
5,000	4.40%	5,000	29-May-2026	5,000	-	London Borough of Redbridge
5,000	4.60%	5,000	29-May-2026	5,000	-	East Midlands Combined Authority
20,000	4.50%	20,000	19-Jun-2026	20,000	-	London Treasury Liquidity Fund LP
10,000	4.50%	10,000	26-Jun-2026	10,000	-	Unity Trust Bank
5,000	5.15%	5,000	30-Jun-2026	5,000	-	East Riding of Yorkshire Council
5,000	4.50%	5,000	30-Jun-2026	5,000	-	Runnymede Borough Council
187,000		**187,000**		**187,000**	-	

Table 5: Council Long Term Borrowings as at 31 March 2026

Initial Loan Value £'000	Interest Rate	Balance as at 31 March 2026 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		**188,896**		**62,000**	**126,896**	
22,625	2.26% + RPI Annually	13,081	17-Oct-2039	13,081	-	Prudential Assurance Co
49,000	1.69%	45,097	24-Nov-2045	45,097	-	Phoenix Life Limited
447,521		**434,074**		**307,178**	**126,896**	

Table 6 Debt Summary April 2022 - March 2026



15. Table 7 below shows the closing level of the Council Capital Financing Requirement and how that is made up of actual external borrowing and what the level of under borrowing.

Table 7: Council Capital Financing Requirement 31 March 2026

	General Fund £000	HRA £000	Total £000
External Borrowing	307,178	126,896	434,074
Internal Borrowing (Under borrowing)	96,808	22,513	119,321
Capital Finance Requirement	**403,986**	**149,409**	**553,395**

Investments

16. During the year, cash surpluses are invested by the Treasury Management team through direct dealing or money brokers with approved counterparties. The Council's counterparty list i.e. the list of organisations that it has been agreed that the Council can invest with has become increasingly restricted in recent years due to the economic climate and the criteria used to select appropriate organisations.

17. A full list of investments held by the authority as of 31 March 2026 is shown in Table 8 below.

Table 8: Investment Summary as at 31 March 2026

Investments	Maturity Date	Principal Amount £	Interest %
Fixed Term Deposits			
DMADF	01-Apr-2026	2,075,000	3.70%
Sub Total		**2,075,000**	
Call Account			
LGIM Sterling Liquidity Fund		2,925,000	3.85%
Total		**5,000,000**	

18. The Treasury Management function achieved average returns of 4.15% for the period 1 April 2025 to 31 March 2026 for its combined investment compared to the SONIA average rate of 3.94%.

Treasury Management Performance 2026/27

19. Table 9 below shows the overall treasury management position for 2026/27. The current forecast that the function will have no variance to budgets. This forecast is based on the uncertainty of when the SEND recovery grant will be received, should this be received in October a positive change would be seen at outturn.

Table 9: Treasury Management performance 2026/27

	Actual 2026/27 £'000	Budget 2026/27 £'000	Variance 2026/27 £'000
Expenditure			
Interest Paid on Long Term Borrowings	2,898	2,898	0
Interest Paid on Short Term Borrowings	9,233	9,233	0
Broker fees	250	250	0
Income			
Investment Interest Received	(655)	(655)	0
Deductions from general fund	200	200	0
Total	**11,926**	**11,926**	**0**

Borrowing

20. Table 10 and 11 below shows the closing level of borrowing for the Council's two loans pool.

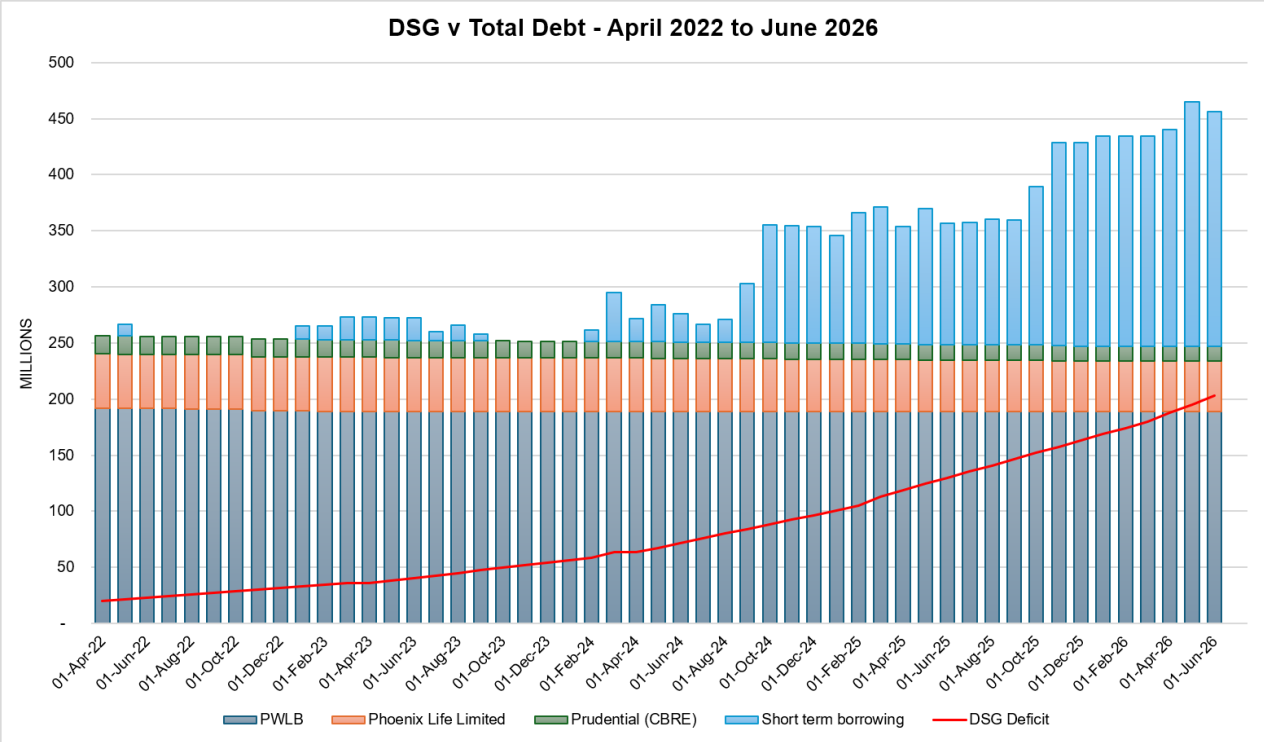
Table 10: Council Short Term Borrowings as of 30 June 2026

Initial Loan Value £'000	Interest Rate	Balance as at 30 June 2026 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
10,000	4.00%	10,000	01-Jul-2026	10,000	-	Rhondda Cynon Taff CBC
30,000	4.15%	30,000	08-Sep-2026	30,000	-	West Midlands Combined Authority
5,000	4.15%	5,000	22-Sep-2026	5,000	-	PCC for Hampshire
20,000	4.20%	20,000	22-Sep-2026	20,000	-	London Treasury Liquidity Fund LP
15,000	4.15%	15,000	24-Sep-2026	15,000	-	Northern Ireland Housing Executive
20,000	4.15%	20,000	28-Sep-2026	20,000	-	West Midlands Combined Authority
5,000	4.15%	5,000	29-Sep-2026	5,000	-	East Midlands Combined Authority
10,000	4.15%	10,000	30-Sep-2026	10,000	-	London Borough of Croydon
5,000	4.40%	5,000	15-Oct-2026	5,000	-	Devon County Council
5,000	4.20%	5,000	16-Oct-2026	5,000	-	Rugby Borough Council
10,000	4.40%	10,000	20-Oct-2026	10,000	-	South Yorkshire Mayoral Combined Authority
10,000	4.40%	10,000	20-Oct-2026	10,000	-	Lincolnshire County Council
10,000	4.40%	10,000	20-Oct-2026	10,000	-	East Midlands Combined Authority
4,000	4.38%	4,000	20-Oct-2026	4,000	-	Mole Valley District Council
5,000	4.30%	5,000	30-Oct-2026	5,000	-	Wyre Borough Council
15,000	4.30%	15,000	02-Nov-2026	15,000	-	West Yorkshire Combined Authority
10,000	4.30%	10,000	02-Nov-2026	10,000	-	Liverpool City Region Combined Authority
10,000	4.20%	10,000	06-Nov-2026	10,000	-	Liverpool City Region Combined Authority
10,000	4.00%	10,000	27-May-2027	10,000	-	West of England Combined Authority
209,000		**209,000**		**209,000**	**-**	

Table 11: Council Long Term Borrowings as at 30 June 2026

Initial Loan Value £'000	Interest Rate	Balance as at 30 June 2026 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		**188,896**		**62,000**	**126,896**	
22,625	2.26% + RPI Annually	12,871	17-Oct-2039	12,871	-	Prudential Assurance Co
49,000	1.69%	45,097	24-Nov-2045	45,097	-	Phoenix Life Limited
469,521		**455,864**		**328,968**	**126,896**	

Table 12 Debt Summary April 2022 - December 2025



Investments

21. A full list of investments held by the authority as of 30 June 2026 is shown in Table 13 below.

Table 13: Investment Summary as of 30 June 2026

Investments	Maturity Date	Principal Amount £	Interest %
Fixed Term Deposits			
Sub Total		**0**	
Call Account			
LGIM Sterling Liquidity Fund		1,625,000	**3.88%**
Total		**1,625,000**	

22. The Treasury Management function has achieved returns of 3.82% for the period 1 April 2025 to 30 June 2025 for its combined investment, bettering the SONIA overnight rate of 3.73%.

Prudential Indicators and Member Training

23. The Treasury Management Prudential Code Indicators were set as part of the 2025/26 & 2026/27 Treasury Management Strategy. It can be confirmed that all indicators have been complied with during all of 2025/26 and the period 1 April 2025 to 30 June 2026.

24. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring.

25. In conjunction with the chair of Audit & Governance Committee training was delivered to all members in November 2025.

Compliance with Policy

26. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial

Regulations. The recent internal audit in December 2025 rated the Treasury Management function as “Reasonable” assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.

27. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2025/26 and the period 1 April 2026 to 30 June 2026.

Summary of Financial/Resource Implications

28. Financial implications are as outlined within the report.

Summary of Legal Implications

29. There are no known legal implications.

Summary of Human Resource Implications

30. There are no known human resource implications.

Summary of Sustainability Implications

31. There are no known Sustainability implications.

Summary of Public Health Implications

32. There are no known public health implications.

Summary of Equality Implications

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

Summary of Risk Assessment

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

Credit Risks

35. Risk that a counterparty will default, fully or partially, on an investment placed with them. There were no counterparty defaults during the year to date, the Council’s position is that it will invest the majority of its cash in the main UK Banks which are considered to be relatively risk adverse and have been heavily protected by the UK Government over the last few years. The strategy

is being constantly monitored and may change if UK Bank Long Term ratings fall below acceptable levels.

Liquidity Risks

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

Re-financing Risks

37. Managing the exposure to replacing financial instruments (borrowings) as and when they mature. The Council continues to monitor premiums and discounts in relation to redeeming debt early. Only if interest rates result in a discount that will benefit the Council would early redemption be considered.

Interest Rate Risks

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

Price Risk

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

Background papers

40. Treasury Management report & Strategy to Full Council on 24th February 2026
https://democracy.bcpcouncil.gov.uk/documents/s64769/Treasury%20Management%20Monitoring%20report%20for%20the%20period%20April%20to%20December%202025%20and%20Treasury%20Management%20.pdf &
https://democracy.bcpcouncil.gov.uk/documents/s64770/Appendix%201%20Treasury%20Management%20Strategy%20202627.pdf

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Risk Management - Corporate Risk Register Update**
Meeting date	30 July 2026
Status	Public Report
Executive summary	This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows: • CR08 – We may fail to run a fair and open election/referendum. This risk has been removed from the Corporate Risk Register. • CR24 - We may fail to adequately address concerns around community safety. This risk is now led by the Director of Public Health and Communities. • A new risk has been nominated around Corporate Health and Safety/Asset Management with the risk owner being the Interim Director of Finance. Corporate Management Board considered this risk should be reflected in the Corporate Risk Register. • Material updates for this quarter are outlined in section 13.
Recommendations	**It is RECOMMENDED that:** **Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.**
Reason for recommendations	To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for risk management and enhance its governance framework.
Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Fiona Manton Risk & Insurance Manager fiona.manton@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Update and Information

Background

1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that risk management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.
2. In accordance with the Financial Regulations and the Risk Management Policy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's risk management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.
3. BCP Council has in place a new Risk Management Policy. It includes a new level of risk which will sit at the top of the risk framework and all lower level risks will be aligned to one or more of these Enterprise Risks.
4. As this is a new approach it will take some time to fully implement and it is recognised that the policy, the Enterprise Risks, the risk appetite and other areas may need adjustment or refinement over the next 12 months. Corporate Management Board (CMB) will approve any adjustments, and these will be brought to the attention of this committee as part of the usual regular risk reporting process.
5. In view of the timing of this update, there has been no change in the way the Corporate Risk Register is being reported.
6. In addition to the quarterly reviews, in immediate practical terms, CMB continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

7. Members will recall from the previous updates that the Corporate Risk Register was established at the commencement of BCP Council. It has been routinely reviewed on a quarterly basis.
8. In order to provide the committee with insight in terms of the approach to risk management, a summary of the process followed is shown at Appendix 1.
9. To assist in the understanding of prioritisation of risk, the council's risk matrix and definitions is shown at Appendix 2.
10. At Appendix 3 a dashboard is included with summarised information.
11. To assist the committee with the context of the corporate risks, at Appendix 5 is a diagram which outlines the risk hierarchy in place in the organisation. This illustration includes the new Enterprise Risk level.
12. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the committee a table of the full risks is shown at the beginning of Appendix 4. This is ranked according to the net risk score from the highest to the lowest for current risks.

Changes in Risk During Quarter 1 – 2026/27

13. During the quarter, the risks have been reviewed and in addition to the updates to each risk, the material updates to the register are as follows:

    a) CR08 – We may fail to run a fair and open election/referendum. This risk is escalated to the Corporate Risk Register during periods when elections are planned. Outside of this period CMB have previously concluded that the level of residual risk can be managed within the appropriate service risk management arrangements. Consequently, risk CR08 is now removed from the risk register.

    b) CR24 – We may fail to adequately address concerns around community safety. This risk was previously jointly led by the Director of Housing & Public Protection and the Director of Public Health and Communities. The Director of Public Health and Communities is the single lead for this risk going forward and has provided the update for this risk.

    c) As part of the continuous review process, CMB considered a newly nominated risk around Corporate Health and Safety/Asset Management with the risk owner being the Interim Director of Finance. CMB considered this risk should be reflected in the Corporate Risk Register. During the next few weeks, the risk will be articulated and drafted before further approval by CMB. An update on this risk will be provided in the next report to this committee.

14. Whilst it may be noted that many of the risk scores have not changed, this is not reflective of management action or inaction. Risks will continue to be influenced by a number of factors including national impacts and operational environment changes. During each quarter risk owners routinely review the allocated scores along with further discussion by CMB.

15. During this quarter in addition to the review of individual risks, the connectivity of risks continues to be considered in relation to the Corporate Risk Register. CMB will continue to be mindful of the accumulation of risk. New risk causes may impact across several risks and in turn compound the overall risk position for the council in a negative way.

16. Full details of the updates for this quarter can be found in Appendix 4.

Director Level Risk Review

17. As part of this quarter's considerations, Corporate Directors reviewed the risk registers within their directorates to identify whether any risks currently considered at Director level should be escalated to the corporate risk level. The position was then discussed by CMB as a group to confirm the decisions.

18. As a result of these discussions the following was noted and agreed:

    a) Corporate Directors will continue to review all risks rated High within their directorates. This currently equates to 37% of the total Director level risks.
    b) An exercise is on-going to ensure all Director level risks have been reviewed within the required timeframes.

Key Assurance Risk Review

19. As part of the overall risk framework and to ensure risks are considered at all levels, CMB also considered those risks identified as part of the key assurance risk framework. This included the following risk registers:

- Health and Safety and Fire Safety Board
- Resilience Governance Board
- Information Governance Board

20. As part of the continuing development of Board Risk Registers, the Resilience Governance Board at their May 2026 meeting, undertook a deep dive into four risks. This provided the Board with a thorough update on each of the selected risks and identified actions where support was required from the Board and provided further assurance to CMB on the management of risk.

21. CMB reviewed these risks and considered whether either individual risks or a board level risk needed to be included on the Corporate Risk Register. No risks were escalated from these registers during the quarter.

Dynamic Risk Review Process

22. Recognising the rapidly changing environment and the increasingly complex interaction between some of the corporate risks, a standard agenda item has been added to CMB to add a further layer to the risk review process.

23. This process allows for more dynamic consideration of the immediate responses required to some of the corporate risks, which will help the Corporate Risk Register to be considered, managed and communicated through the organisation.

24. The consideration of the risks in this way will also inform the regular quarterly reviews that continue to take place in a more timely manner, by flagging changes in risk profile ahead of the regular reviews with risk owners, which will continue to take place.

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

Risk Management Process and Development

26. As set out in paragraph 3., BCP Council has in place a new Risk Management Policy. It includes a new level of risk which will sit at the top of the risk framework and all lower level risks will be aligned to one or more of these Enterprise Risks.

27. As this is a new approach it will take some time to fully implement and it is recognised that the policy, the Enterprise Risks, the risk appetite and other areas may need adjustment or refinement over the next 12 months. CMB will approve any adjustments, and these will be brought to the attention of this committee as part of the regular risk reporting process.

28. As previously reported, initial Enterprise Risks were included in the new Risk Management Policy. These were reviewed by CMB in June 2026 and some revisions made to these risks along with allocation of responsibility for each.

29. At Appendix 6 please note the updated Enterprise Risks along with the identified lead for each of the risks. Work is now underway to start the alignment process, firstly focusing on the Corporate Risks.

30. Further development of the Risk App is underway to facilitate the alignment of all lower level risks to the updated Enterprise Risks.

31. Continued progress on this will be reported to the next meeting of this committee.

Service Development

32. In addition to the reviews of corporate risks, the Risk Management team continues to be engaged in the refresh of director level risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic risk management environment and how the Risk Management team can support them in this to deliver a consistent and embedded approach to risk management throughout the council.
33. As part of the role of the team, continuous "horizon scanning" is undertaken to identify issues that may give rise to risk for the council. When matters are identified, these are raised with the relevant Corporate Director/Director for review and consideration of any necessary action. Examples during this quarter include:
    - Routinely reviewing the outcomes of partial assurance internal audit reports to raise risk issues with the relevant service risk champion to ensure, if appropriate, they are suitably reflected and captured in the directorate risk register.
    - Circulating information from a risk management perspective on various topics.
    - Sharing training opportunities on areas of risk.
34. The new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
35. The suite of dashboards and reports have been identified and will now be considered by ICT in terms of the further development phase which is now underway.

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

42. The risk management implications are set out within the content of this report.

Background papers

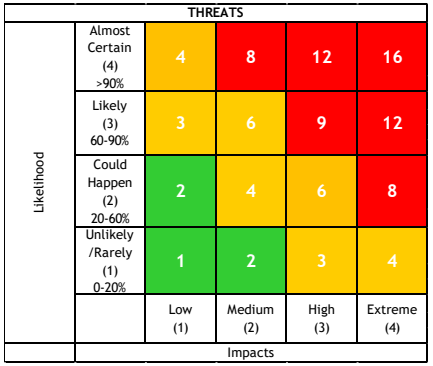
Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 19 March 2026.

Appendices

Appendix 1 - Summary of Risk Management Process
Appendix 2 - BCP Council's Risk Matrix and Definitions
Appendix 3 - Risk Dashboard
Appendix 4 - Full Risk Details Including Summary
Appendix 5 - Risk Hierarchy
Appendix 6 - Enterprise Risks

Appendix 1

BCP Council - Risk Management

Identify Risks	Evaluate Risks	Treat Risks	Review Risks
Process to be integrated into council business as usual and considered by all business areas **RISK** is the effect of uncertainty on objectives. Risk is usually expressed in terms of causes, potential events, and their consequences. Risk management is the planned approach and should consider the following: • Those which threaten the achievement of our objectives • Those which go against our values • Those relating to the legal and regulatory frameworks we work within • Those relating to our own policy and internal control framework **Consider what could go wrong or what more could we achieve?**	Combination of the impact and likelihood of an event and its consequences (Gross or Inherent risk)  **Red** – High Risks, immediate action **Amber** – Medium priority, review current controls **Green** – Low priority, limited action, continue to review	Consider each risk and ask: • Can we reduce the likelihood? • Can we reduce the impact? Risk Responses: • Terminate (stop the activity or remove a risk cause) • Transfer (pass specific loss risk ownership to another party) • Treat (contain the risk at am acceptable level by the application of controls • Tolerate (accept the risk) Consider the risk score after the risk responses have been considered. The revised combination of impact and likelihood and its consequences post current mitigations (Net or Residual risk) Devise contingencies and action plans to reduce the mitigated risks to an acceptable level.	**Risk Registers** • Record all identified risks, risk owners, risk evaluation, risk treatment and risk action plans • Regular monitoring as part of business as usual **Council risk monitoring** • Risk registers reviewed in Directorates quarterly • Challenge process via Risk Team • Regular reporting to CMB **Council's Enterprise Risks** • Provides a framework and alignment of risk throughout the council **Council's Corporate Risks** • Regular review by CMB • Quarterly review by Risk leads • Quarterly monitoring by Audit and Governance Committee • Aligned to appropriate Enterprise Risk

This page is intentionally left blank

Appendix 2

Risk Scoring Matrix and

Impact and Likelihood Scoring Definitions

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

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

Impact of Risk

Impact Scoring Guidance

Threat (Negative) Impacts Scores		
1	**Low**	a) Potential financial loss of less than £200k b) Minor injury c) Minor legal/regulatory consequence d) Minor impact outside single objective/local system e) Internal adverse publicity, minor reputational damage/ adverse publicity f) Minor service disruption g) Minimal service user complaints
2	**Medium**	a) Potential financial loss of between £200k and £999,999 b) More serious injury c) Significant legal/ regulatory consequence d) Significant impact on objective/s, processes or systems e) Significant localised reputational damage f) Significant service disruption g) Multiple service user complaints
3	**High**	a) Potential financial loss of between £1m and £1,999,999 b) Major disabling injury c) Substantial legal/ regulatory consequence d) Substantial impact on objective/s, processes or systems e) Prolonged adverse local and national media coverage f) Substantial service disruption g) A substantial number of service user complaints
4	**Extreme**	a) Potential financial loss of over £2m b) Fatality and/or multiple injuries c) Major legal/regulatory consequence d) Major impact on corporate level objective/s e) Major/severe reputational damage/ national adverse publicity f) Central government interest/ administration g) Loss of all critical services for a significant period of time

Likelihood of Risk

Likelihood Scoring Guidance

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

This page is intentionally left blank

Corporate Risk Register Dashboard – June 2026

Appendix 3

Risk Ref	Risk Title	Risk Lead	Cabinet Member	Residual or Net Risk Scores				Direction of travel during Year
				Q02: 2025-26	Q03: 2025-26	Q04: 2025-26	Q01: 2026-27	
CR23	Risk CR23 - Potential implications of the Dedicated Schools Grant financial deficit	Chief Executive	Councillor Mike Cox	16	16	16	16	⇔
CR27	Risk CR27 - We may fail to adequately address concerns around environmental impacts - cliff management/instability	Chief Operations Officer	Councillor Richard Herrett Councillor Andy Hadley	16	16	16	16	⇔
CR04	Risk CR04 - We may suffer a loss or disruption to IT Systems and Networks from cyber attack	Director of IT and Programmes	Councillor Jeff Hanna	12	12	12	12	⇔
CR09	Risk CR09 - We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	Director of Finance	Councillor Mike Cox	12	12	12	12	⇔
CR15	Risk CR15 - We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	Director of People and Culture	Councillor Jeff Hanna	12	12	12	12	⇔
CR20	Risk CR20 - Potential of climate change to outstrip our capability to adapt	Director of Marketing, Comms & Policy	Councillor Andy Hadley	12	12	12	12	⇔
CR18	Risk CR18 - We may fail to provide adequate customer interfaces	Director of Customer & Property Operations	Councillor Andy Martin	9	9	9	9	⇔
CR26	Risk CR26 - Risks Associated with the availability of Generative Artificial Intelligence (GenAI)	Director of IT and Programmes	Councillor Jeff Hanna	9	9	9	9	⇔
CR02	Risk CR02 - We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	Corporate Director for Children's Services	Councillor Richard Burton	8	8	8	8	⇔
CR21	Risk CR21 - Impact of global events causing pressure on BCP Council & increase in service requirements	Director of Housing & Public Protection	Councillor Kieron Wilson	6	6	6	6	⇔
CR28	Risk CR28 - We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	Chief Operations Officer	Councillor Millie Earl	6	6	6	6	⇔
CR16	Risk CR16 - Partnerships may not support delivery of the corporate strategy, objectives or priorities	Director of Marketing, Comms and Policy	Councillor Millie Earl	4	4	4	4	⇔
CR25	Risk CR25 - We may be unable to effectively transform services to achieve efficiencies and improve service standards	Corporate Management Board Collective	Councillor Jeff Hanna	4	4	4	4	⇔
CR24	Risk CR24 - We may fail to adequately address concerns around community safety	Director of Public Health and Communities	Councillor Kieron Wilson Councillor Andy Hadley	2	2	2	2	⇔

This page is intentionally left blank

Appendix 4

Audit and Governance Committee – July 2026

Corporate Risk Register – Risk Table

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR27	We may fail to adequately address concerns around environmental impacts - cliff management/instability	16	12	Glynn Barton, Chief Operations Officer	Corporate Risk
CR23	Potential implications of the Dedicated Schools Grant financial deficit	16	8	Aidan Dunn, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Matt Filmer, Interim Director of Finance)	Corporate Risk
CR09	We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	12	12	Matt Filmer, Interim Director of Finance	Corporate Risk
CR15	We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	12	12	Sarah Deane, Director of People and Culture	Corporate Risk
CR04	We may suffer a loss or disruption to IT Systems and Networks from cyber attack	12	9	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk
CR20	Potential of climate change to outstrip our capability to adapt	12	8	Isla Reynolds, Director of Marketing, Comms and Policy	Corporate Risk
CR26	Risks associated with the availability of Generative Artificial Intelligence (GenAI)	9	6	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk
CR18	We may fail to provide adequate customer interfaces	9	2	Matti Raudsepp, Director of Customer and Property Operations	Corporate Risk
CR02	We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	8	8	Cathi Hadley, Corporate Director for Children's Services	Corporate Risk
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	6	6	Kelly Deane, Director of Housing & Public Protection	Corporate Risk
CR28	We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	6	6	Glynn Barton, Chief Operations Officer	Corporate Risk

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR25	We may be unable to effectively transform services to achieve efficiencies and improve service standards	4	4	Corporate Management Board Collective	Corporate Risk
CR16	Partnerships may not support delivery of the corporate strategy, objectives or priorities	4	2	Isla Reynolds, Director of Marketing, Comms and Policy	Corporate Risk
CR24	We may fail to adequately address concerns around community safety	2	2	Rob Carroll, Director of Public Health & Communities	Corporate Risk
CR01	Failure to respond to the needs arising from a changing demography.	N/A	N/A	N/A	Risk removed Q4 2022
CR03	Failure to ensure adequate Information Governance – now Key Assurance – Information governance Board Risk	N/A	N/A	N/A	Risk removed Q2 2020
CR05	Failure to plan effectively for EU Transition	N/A	N/A	N/A	Risk Removed Q2 2020
CR06	Failure to adequately respond to an incident involving the activation of the emergency plan– now Key Assurance – Resilience Governance Board Risk	N/A	N/A	N/A	Risk Removed Q2 2020
CR07	Failure to provide adequate services as a result of an incident requiring a business continuity response– now Key Assurance – Resilience Governance Board	N/A	N/A	N/A	Risk Removed Q2 2020
CR08	We may fail to run a fair and open election/referendum	N/A	N/A	N/A	Risk Removed Q1 2026
CR10	Failure to deliver effective health and safety to protect staff, councillors including the public	N/A	N/A	N/A	Risk removed Q3 2020
CR11	Ability of the council to function and operate efficiently in the delivery of single services across the area of BCP	N/A	N/A	N/A	Risk removed Q1 2023

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR12	Failure to achieve appropriate outcomes and quality of service for young people	N/A	N/A	N/A	Risk removed Q4 2023
CR13	Failure to deliver the transformation programme	N/A	N/A	N/A	Risk removed Q4 2023
CR14	Continuity of Public Health arrangements for health protection	N/A	N/A	N/A	Risk removed Q3 2023
CR17	Risk to Reputation of Place & Council if summer arrangements are not managed	N/A	N/A	N/A	Risk Removed Q3 2022
CR19	We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	N/A	N/A	N/A	Risk Removed Q1 2025
CR22	Failure of local care market to meet increasing demand	N/A	N/A	N/A	Risk removed Q4 2023

AUDIT AND GOVERNANCE COMMITTEE

July 2026

CORPORATE RISK REGISTER UPDATE Q1 – 2026/27

1.1 Mitigation actions and significant changes this quarter are detailed below.
1.2 The table below is a key to arrow directions in relation to individual risk scoring.

RISK DIRECTION OF TRAVEL STATUS	
↑	Risk impact or likelihood has **increased** since last review.
↓	Risk impact or likelihood has **decreased** since last review.
↔	There is **no change** to the risk impact or likelihood

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

Risk Owner – Glynn Barton, Chief Operations Officer

Cabinet Member (BCP Council – Democracy) **–** Councillor Richard Herrett, Cabinet Member for Destination, Leisure and Commercial Operations, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy

Links to Corporate Objective(s):

- Our communities have pride in our streets, neighbourhoods and public spaces
- Climate change is tackled through sustainable policies and practice
- Using data, insights and feedback to shape services and solutions

Risk Information

This risk has been created to capture emerging risks in relation to environmental impacts. The first risk to be included under this group is that of cliff instability and the risk will primarily reflect this initially. The risk will continue to develop to include further areas over the next several months.

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

In respect of cliff stability, the cause is linked to natural elements of cliff movement as well as groundwater penetrating the cliff face. Increased risk is through lack of maintenance of existing specialist drainage infrastructure over the last couple of decades; no base budgeted funding to look after existing cliff drainage infrastructure and undertake the remedial works required.

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

Failure of Seafront assets such as retaining walls and access pathways.
Risk of damage to property and inability to operate services – both have an asset and financial risk.
Potential for larger failures such as the East Cliff Lift slip in 2016 and West Cliff slip 2024, also posing risk to life.

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

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Environmental, Physical, Economic, Political, Social, Technological, Legislative, Customer, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

A Cliff Management Strategy (CMS) is being developed by South West Flood and Coastal (formerly Flood and Coastal Erosion Risk Management Team (FCERM)) to inform engineering investment needs. A Specialist Geotechnical Engineer has been employed to lead on strategy delivery and provide future technical advice. The Cliff Management Working Group has been set up to table and discuss ongoing risks and actions.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		⟷

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2026
List All Significant Actions Below:		
Action 1:	Funding has been allocated to support initial programme of cliff assessments and stabilisation works. Current funding is addressing top priorities on a long list. Additional funding needs to be identified to address ongoing issues and larger scale stabilisation schemes.	Ongoing
Action 2:	Monitoring of cliffs via visual inspection as well as GPS and drone technology, in line with CMS recommendations.	Ongoing
Action 3:	Delivery of the CMS	April 2026 CMS developed, providing a more integrated approach to cliff management across multiple services and private landowners. The main elements are: 1. A new live cliff asset database that is regularly updated and guides assessment of risk and identifies issues to the Cliff Management Working Group (CMWG). 2. A new Cliff Management Manual that sets out how the cliffs are managed in various ways from various teams' perspectives, highlighting interactions and providing cross-service guidance. *This is complete, subject to final review/approval. It will then live on the CMWG TEAMS channel as a live document that we can periodically update.* 3. A new Cliff Management Guide developed by Dorset Coast Forum (DCF) that is public facing and aimed at communicating to landowners and wider public in a Q&A style. *Drafted but DCF are testing it with stakeholders to ensure it is clear and understandable to target audience. Estimated completion end July 2026.*

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	3	12		⟷

Quarter Update

£1.4m funding approved in early 2026 to address key priorities. Assessments undertaken and/or in progress at key sites including West Cliff, Durley, Portman, Canford Cliffs and Manor Steps.

Larger scale works and additional funding needs identified at Manor Steps, Durley and West Cliff. Funding sources being explored.

Four valid tenders have been submitted for East Cliff stabilisation works. Evaluations underway, selection of preferred bidder expected mid-June 2026.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⟷	Due to ongoing cliff stability concerns
Net Score	⟷	Due to ongoing cliff stability concerns
Target Score	⟷	Substantial stabilisation required to reduce likelihood.

Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit
Risk Owner – Aidan Dunn, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Matt Filmer, Interim Director of Finance)
Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance
Links to Corporate Objective(s): Using our resources sustainably to support our ambitions
Risk Information The ring-fenced Dedicated Schools Grant (DSG) in 2025/26 was budgeted at £405m and is provided to fund early years providers, schools, a small range of central services and provision for pupils with high needs. The high needs funding within that total was £64.5m with expenditure projected to be approaching double. A funding gap of £57.5m was budgeted and included in the estimated accumulated deficit for March 2026. High needs funding has been reduced by £0.5m in-year to reflect the growth in the number of placements in the year since January 2024 for provisions hosted by the Department for Education. The adjustment is unusually high for 2025/26, reflecting the significant growth over 2024/25 in the number of children and adults up to age 25 in these provisions, with the number in specialist post-16 institutions doubling. The final 2024/25 settlement for the DSG early years block to reflect the January 2025 census, was received in August 2025. This provided an additional £1.9m compared with the estimated clawback in the year end accounts. This was mainly due to funded places for children aged under two being higher than estimated. At quarter three, the in-year deficit was projected at £70.3 with the cumulative deficit at £183.6m. The outturn position is an improvement in this position closing with an accumulated deficit for 2025/26 of £179.8m. The final Local Government finance settlements for 2026/27 included the details of government financial support available for the historic and still accruing DSG deficit up to March 2028. This included: a. A new high needs stability grant, to cover 90% of the deficit as at the 31 March 2026. This grant is subject to the council securing government approval for a local SEND reform plan. This plan is to reflect the aspirations in the February 2026 Schools White Paper with submission required in June. If agreement is reached the grant will be paid during the autumn of 2026. It will be applied to the above accumulated deficit balance at 31 March 2026. b. There is an expectation that similar support will be given for further deficits that will arise in 2026/27 and 2027/28, although it was recognised that this support would not be unlimited. The current accounting statutory override, which requires the council to hold a negative reserve (not normally permitted) for the DSG in its statutory accounts, will continue until the 31 March 2028. The government has indicated that there should not be further deficits beyond March 2028 because from 2028/29, funding to councils for SEND will increase to fully fund expected expenditure levels. Details are to be confirmed in the 2027 Spending Review for financial year 2028/29.

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

Insufficient grant funding is provided to the council by the government with insufficient recognition of growing demand and high costs of provision.

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

Financial sustainability of the council, including insufficient cash flow to meet normal service expenditure with further risk of illegality from the need to borrow to meet revenue expenditure to maintain appropriate levels of statutory services.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

- **Economic –** inability to meet financial commitments
- **Legal -** breach of regulations that prohibit borrowing for revenue expenditure
- **Resources** – impact on other areas of the council (capital and revenue) as expenditure is limited to preserve cashflow.
- **Reputation** – lack of confidence in the ability of the council to manage its financial affairs as indicated by the issue of a S114 notice (effective bankruptcy).

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Cabinet Report: December 2024: Assessing the serious cashflow issue caused by ever-increasing demand and cost outstripping High Needs Dedicated Schools Grant government funding. Set out not just the background and context of the issue but all the activity including that of the Chief Executive, Director of Finance, Leader and Local MPs in trying to draw attention to and resolve the issue.

Council Report: February 2025: Set out the conclusion and approach to be taken in drawing the 2025/26 Budget. This included the acknowledgement of both the External Auditor and CIPFA that temporary borrowing via Treasury Management powers was a pragmatic but not sustainable outcome.

14 February 2025: CIPFA published paper: Reforming SEND finance: meeting need in a sustainable system.

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

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

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

Cabinet Report: December 2025: DSG High Needs Expenditure Forecast 2025/26. Seeking Council approval for a £14.3m in-year increase in the originally approved overspend and requests the Corporate Director of Children's Services implement deficit management measures.

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

a) 20 November 2025 Local Government Policy Statement. This included the statement that Government recognises local authorities are continuing to face significant pressure from the

impact of DSG deficits on their accounts and that these authorities will need continued support during the transition to a reformed SEND system. This will include working with local authorities to manage their SEND system and deficits. The statement referenced that the government would set out further details on its plans to support local authorities with historic and accruing deficits in the provisional 2026/27 local government finance settlement.

b) 26 November 2025: National Autumn Budget. This sets out that the government are proposing that they will take over the responsibility for day-to-day funding of SEND from 1 April 2028 onwards, which is when the current statutory override ends. The current accumulated deficit and any further increase in the deficit between now and the 31 March 2028 will be retained by BCP Council with any support for these elements announced as part of the December 2025 provisional local government finance settlement for 2026/27.

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

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

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	Not possible to eliminate the funding gap through reduced expenditure as there are statutory requirements. Strategy is to secure additional DSG grant.
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Not possible - the solution must be additional funding or a completely redesigned system.
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	The service are implementing a management plan to build and address sufficiency as appropriate.
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases, the most appropriate response may be to tolerate or accept the risk.	No – it cannot be tolerated, and government have to deliver a solution.

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

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

All Significant Actions to Achieve Proposed Target Risk Score:

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

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

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

Progress has continued this quarter in strengthening the council's strategic response to the Dedicated Schools Grant deficit, with a clear focus on both local mitigation and national engagement.

The Local SEND Reform Plan has been developed for submission in line with government expectations, setting out a comprehensive programme to improve sufficiency, reduce reliance on high-cost placements and deliver earlier, more inclusive support in mainstream settings.

Locally, management actions to control in-year expenditure and improve demand management are being implemented, alongside continued scrutiny through budget monitoring and governance arrangements.

Nationally, active engagement with government departments and sector partners has continued to seek clarity on future funding arrangements and support for historic deficits, pending the anticipated reforms to the SEND system and wider funding framework.

While these actions represent important progress, the underlying financial pressure and structural mismatch between demand and funding remain unchanged, and the risk to the council's financial sustainability continues to be significant.

Direction of Travel

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

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

Risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP

Risk Owner – Matt Filmer, Interim Director of Finance

Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance

Links to Corporate Objective(s):
Using our resources sustainably to support our ambitions

Risk Information

The council has a legal responsibility to ensure it can balance its budget. As part of this framework, it is not permitted to have negative reserves.

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

- 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities
- £7.8m of savings, efficiencies, increases to fees and charges, and service reductions of which £1.7m is in relation to transformation
- Provision of £6.5m in extra resources to cover demand and inflationary pressures in the council's highest priority area, Children's Services
- Provision of £14.4m in extra resources to cover demand and inflationary pressures in the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services
- Temporary borrowing of £57.5m to finance the difference in 2025/26 between the £122m revenue expenditure on Special Educational Needs and Disability (SEND) services and the £64.5m Department for Education (DfE) grant allocation as part of the Dedicated Schools Grant (DSG) High Needs Block allocation.

The outturn for 2025/26 presented to Cabinet in June 2026 ended the year with an overspend of £4.5m, the first overspend reported for BCP Council since its inception.

Council approved its **2026/27** Budget at Council on 24 February 2026 with the following key features:

- A 6.74% council tax increase for 2026/27 reflecting the additional flexibility given by government. The planning assumption being 4.99% is built into each of the following years consistent with the projections from the Office for Budget Responsibility.
- Assumed delivery of £14m in annual savings, efficiencies, and additional resources to balance the 2026/27 budget including £4.4m which has been established as transformation and invest to save related. Future year savings for the next two years amounting to £15m.
- £22m planned increase in council spending across all service areas excluding pay related costs, this includes £11.5m (6.5% increase) to cover demand and inflationary cost pressures in Wellbeing services, including Adult Social Care and Homelessness services, with a further £9.2m (8.2% increase) to cover demand and inflationary cost pressures in Children's Services.
- First multi-year Local Government Finance Settlement (2026/27–2028/29) in a decade backed by new fair funding formula. The impact of which is a reduction in funding across that term for the council by approximately £15m.

Since 28 February 2026, the escalation of conflict in the Middle East, including direct military action involving Iran, has introduced a significant macroeconomic shock primarily through energy markets. Disruption to oil and gas supply has driven sharp increases in global energy prices, reversing the expected lower inflation trend and contributing to renewed upward pressure on UK inflation, with forecasts indicating higher price levels later in 2026. For the council the combined effect is likely increased inflationary pressure for services, particularly within demand-led services such as social care and homelessness. Higher inflation also creates a "higher for longer" interest rate environment, increasing the cost of the councils' borrowing costs.

There remains continued pressure within Adults' and Children's services, which is a continuation of the pressures reported as part of the outturn 2025/26. The scale of the pressures, if they continue, remains a significant threat to the financial sustainability to the council. Close monitoring of the position is in place alongside an action plan to address the problems.

The latest Medium Term Financial Plan (MTFP) update to Cabinet in June 2026 shows a gap for 2027-30; a cumulative gap of £31.9m with a current estimate of an £8.3m gap to resolve in 2027/28.

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

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

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

- S151 Officer would be required to issue a formal s114 report.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

- Customer/Citizen, Economic, Political, Reputational

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- Microsoft Dynamics Enterprise Resources System implemented in April 2023 to improve the provision of financial management information underpinned by the principle of self-service. Therefore, real time budget monitoring information made available to budget holders.
- Implementation of monthly reporting to Corporate Management Board / Cabinet with Key Performance Indicators.
- Financial Training for budget holders to be rolled out during 2026.
- Regular meetings between portfolio holders and senior officers in respect of the financial strategy and the budget position.
- Regular MTFP update reports to Cabinet in the lead up to budget sign off.
- Quarterly budget monitoring reports to Cabinet including progress against budget savings.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	**Cabinet report:** 2025/26 Financial Outturn	July 2026

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	3	12		

Quarter update

The outturn 2025/26 reported to Cabinet shows an overspend of £4.5m, the first budget overspend reported at BCP Council. Significant overspends in Adults' and Children's cost of care being the principal reasons for the position.

Alongside the outturn 2025/26, Cabinet are being presented with a MTFP update and budget setting process to deliver a balanced budget for 2027/28. The updated MTFP position overall is a £31.9m gap, with a deficit of £8.3m in 2027/28. The report recognises the need to develop a long-term view of the savings and efficiencies the council needs to make, which are considered and planned for the longer-term to bring financial sustainability. For the 2027/28 budget, the council will adopt a more strategic, programme-led approach through the Continuous Improvement and Innovation Programme (CIIP). This represents a shift from short-term savings measures to a structured pipeline of transformation, service redesign and efficiency activity.

Direction of Travel

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

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

Risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support

Risk Owner – Sarah Deane, Director of People and Culture

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

Links to Corporate Objective(s):
Developing a passionate, proud, valued and diverse workforce

Risk Information

The People Strategy was launched in December 2023 covering the period from 2024 to 2027. The People Strategy is closely aligned to the corporate vision and ambitions, and the previous transformation agenda. There are twelve key workstreams in the People Strategy together with a three-year detailed implementation plan. BCP Council needs to have the right staff, at the right time, in the right roles to deliver front line and corporate services effectively and efficiently.

Key outcomes:

- single pay structure and terms and conditions to ensure fair and equal pay
- high performance culture
- improved workforce planning
- improved talent attraction and retention
- improved wellbeing and absence rates
- improved leadership development
- full automation of HR systems to support efficiencies and new ways of working.

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

Pay and Reward has created significant risks to the delivery of the overall objectives within our People Strategy but following Council approval on 22 July 2025 and the introduction of Pay and Reward on 1 December 2025, the threat of industrial action has been removed and the potential for significant numbers of equal pay claims has now greatly reduced. There do remain some risks to the organisation, however, as follows:

Potential for claims to arise

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

Risk of increased levels of turnover

The implementation of Pay and Reward now gives clarity to our colleagues on pay and terms and conditions. It is acknowledged, however, that there are colleagues who still remain dissatisfied with the outcome and these changes will present challenges and anxiety. Support will be provided to those who wish to access it, but others may choose to seek alternative employment, and it is possible that our turnover levels may be slightly higher than normal as we move beyond implementation and into the period of pay protection for those colleagues seeing a reduction in pay.

Financial risk - Incremental drift

The Medium Term Financial Plan and corporate resources provided for the cost of Pay and Reward, but do not include additional exposure by the authority to annual incremental drift. Services have been required to manage this cost historically within their base budget allocation and will continue to do so.

However, it should be highlighted that this cost is estimated to have increased significantly due to the additional head room in the final enhanced offer. For 1 April 2026, this cost is estimated to now amount to circa £4.0m for 2026/27 and can be compared to an annual cost of around £1.5m under the current arrangements. This cost will be mitigated by various issues including turnover, take-up of colleague benefits (eg salary sacrifice schemes) and performance. There will then be further similar exposure in future years which the enhanced offer has increased due to the additional headroom on grades.

Risk to viability of services

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

Appeals

Appeal outcomes are still in train and panels are meeting to consider appeal applications through until the summer months. Successful appeal outcomes will mean greater financial impacts on services and could ultimately impact further on the viability of services and balancing the budget.

Attracting new talent

Recruitment literature and job information will provide certainty to prospective colleagues, and it is hoped that our improved offer and new colleague benefits will significantly support our employer value proposition, encouraging a wider range of applications for our vacancies and reducing our need to appoint agency cover for vacant posts. However, to provide consistency with the assimilation process that was applied to our existing workforce, new recruits must be appointed to the bottom of their pay band. The impact of this is being monitored closely and will be reviewed by the Corporate Management Board.

National skills shortage

As well as the Pay and Reward impact, there remains a national shortage of skills which means that there are still significant recruitment difficulties in some areas of the council. The council relies heavily on agency workers to fill hard-to-recruit business critical roles, particularly in frontline services, which affects our ability to serve residents effectively. Agreement of the new Pay and Reward offer will help this situation but will probably not solve it completely.

Other People Strategy delivery

Having given priority to the successful implementation of the Pay and Reward programme and the implementation of a new payroll solution, this year, other deliverables aligned to our People and Culture Strategy have fallen behind schedule. Budget pressures in the People and Culture service caused by service cuts and rising contract costs, are also having an impact on the available resource to deliver People strategy actions. See quarter update.

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

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

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Resource, Legal, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		⟺

Mitigations in Place & Completed Actions

- The threat of immediate industrial action has been removed since implementing Pay and Reward with the trade unions agreement
- Support for colleagues impacted negatively by Pay and Reward is in place
- Services have been working through the financial impact that Pay and Reward will have on their budgets to better understand mitigation strategies
- Potential sources of mitigation for budgetary pressures include national insurance savings delivered from new benefits such as additional pension fund voluntary contributions and other salary sacrifice schemes and reduced costs from any current market supplements not required or required at a lower level.
- Services continue to work with People and Culture to undertake risk assessment of retention issues in relation to Pay and Reward and look to put mitigation options in place.
- Change and wellbeing training sessions have been delivered together with signposting to relevant toolkits and means of support.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	✓
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	✓

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Completion of role profile appeals	30 June 2026
Action 2:	People Strategy Implementation Plan	2027
Action 3:		
Action 4:		
Action 5:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	3	12		

Quarter Update

This quarter we are seeing an increased number of grievances and concerns raised relating to pay and reward, predominantly around how individuals have been assimilated into their new pay bands. Appeal panels are continuing with a mix of outcomes having been reached. Pay protection continues to run for those eligible, thereby limiting the impact to date.

Some salary supplements have been removed this quarter for key roles due to the eligibility criteria no longer being met and this is having an impact on service delivery in that area.

UNISON have confirmed that they are balloting for industrial action in connection with the national pay negotiations in August. There is a potential for industrial action resulting if the threshold is met.

A full review of the People and Culture budget is being undertaken to ascertain capacity to deliver any strategic aspects of the People Strategy. Currently there is no capacity in the service to absorb the business as usual work that will continue beyond the Pay and Reward programme and this will have a direct impact on resource capacity to deliver strategic initiatives beyond business as usual. Options are actively being explored.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⇔	Concerns and issues are as anticipated at this time
Net Score	⇔	Concerns and issues are as anticipated at this time
Target Score	⇔	Concerns and issues are as anticipated at this time

Risk CR04 – We may suffer a loss or disruption to IT Systems and Networks from cyber attack

Risk Owner – Sarah Chamberlain, Director of IT and Programmes

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

Links to Corporate Objective(s):
Working together everyone feels safe and secure

Risk Information

BCP Council relies heavily on digital technology and online capability, including in the delivery of essential and public-facing services.

Disruption can come in many forms (some described below), both deliberate through acts of cyber-crime, or accidental through loss of hardware or infrastructure. Both can cause immense disruption to the council by denying staff and public access to key services. Even traditional face-to-face services can be impacted by a loss of IT systems as many back-office functions rely entirely on the availability of computers and data.

Nationally, the threat of cyber-attack continues to remain high on the UK.GOV National Risk Register, featuring prominently across the register with the potential for disruption to national infrastructure, finance, telecommunications, transport and social care systems. Cyber was ranked the number one surveyed risk by the Business Continuity Institute in 2025.

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

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

Some of the highest risk causes include:

Phishing attacks: These attacks use social engineering tactics to trick individuals into revealing sensitive information, clicking on malicious links or trying to defraud the council of money. These often lead to further breaches by allowing the attacker to gain access to the council's systems and data.

Ransomware attacks: These attacks involve encrypting the council's data and demanding payment in exchange for the decryption key.

Insider threats: These threats can come from employees, contractors, or other individuals with access to the council's systems and data.

Supply chain attacks: These attacks target third-party vendors or suppliers to gain access to the council's systems and data.

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

A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services such as Social Care, Housing or Place (Highways etc) are impacted.

Financial loss is the most common impact through direct loss of funds, recovery costs and Information Commissioner's Office fines. There are also reputational impacts.

Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

IT and Programmes have in place robust mitigations to assist in the management of this risk, however this is still considered a "when, not if" event and the risk will never be totally mitigated. Continued focus on end-user training.

IT Security Course completion is now actively tracked by managers as part of annual performance reviews under our new framework.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Partial – via contractual arrangements
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes – a significant number of controls are in place to mitigate the risk.
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Given the persistent and evolving nature of cyber threats and BCP Council's increasing reliance on digital systems, it is both pragmatic and necessary to accept a level of residual risk.

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		Ongoing
List All Significant Actions Below:		
Action 1:	Training and increase user awareness of risks: ITSEC teams continue to deploy monthly cyber awareness training to all staff digitally.	Ongoing
Action 2:	Increased cyber detection and response tooling: Annually, IT and Programmes undertake an exercise to bid for capital or additional revenue funding to improve or maintain its IT infrastructure and cyber security posture.	Ongoing

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	3	9		

Quarter Update

User awareness remains a key control, with further uptake in cyber security training and improved management oversight increasing organisational resilience to phishing and social engineering attacks.

Work is also progressing to support wider digital and AI adoption safely, including alignment with Information Governance initiatives such as data classification and Data Loss Prevention, reducing the risk of data exposure.

While the external threat landscape continues to evolve and remain high, particularly across local government and critical services, the council's control environment is improving and continues to mature. The risk therefore remains stable, with ongoing mitigation reducing vulnerability but not eliminating exposure.

Direction of Travel

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

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

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

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

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

Links to Corporate Objective(s):

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

Risk Information

The International Panel on Climate Change's 5th report has robustly concluded that climate change is unequivocally real and caused by human activity such as the burning of fossil fuels and destruction of habitats releasing greenhouse gases at unprecedented levels and limiting the earth's ability to reabsorb them.

The UK Government has committed to achieving 'net zero' greenhouse gas emissions by 2050, and a challenge of this scale will require transformative change to the UK economy. BCP Council has declared a climate and ecological emergency committing the council and region to decarbonising the economy and society by 2030 and 2045 respectively (the latter having been agreed by Cabinet on 6 March 2024).

There are a number of departments across BCP Council that are central to the response to climate change. However, the all-encompassing nature of achieving net zero means that all council departments and arms-length bodies have a role to play. To be more resilient to the threat posed by climate change, in addition to meeting the challenges of achieving net zero, it is vital that all of BCP Council and its organisations effectively manage climate change risks.

Climate change risks should not be considered in isolation and should be clearly integrated into the strategy of an organisation. It is vital for organisations to recognise that the potential impacts of climate change are not only to do with the physical effects on people and the environment, but also to do with the effects of the transition to a changing climate and the adaptation and mitigation work involved. Similarly, the impacts of climate change should not only be considered as long-term risks.

Risk Causes (definite situational facts affecting our objective) (please list):
Floods, sea level rise and coastal change, changes in temperature and rainfall.

Risk Impacts (contingent effect on objective) (please list):
Floods will have a significant impact on infrastructure causing damage to buildings and wide-scale disruption to service delivery; sea level rise and coastal change will pose risks to certain communities and organisations; and changes in temperature and rainfall will place additional pressures on infrastructure. Physical risks can also lead to indirect economic and social impacts through supply chain disruptions, subsequent impacts from infrastructure damage (for example, lack of transport, communication, manufacturing) or market shifts (such as increases in insurance premiums, changes in the need for government support, consumer attitudinal and expectation changes).

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Citizen, Social, Environmental, Economic, Physical, Resource, Political, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Physical risk mitigations in place:

The most immediate risk to the Bournemouth, Christchurch and Poole area comes from flooding, coastal erosion and cliff instability caused by groundwater. As a result, most of the council's adaptation resources have been dedicated to addressing these.

The South West Flood & Coastal team have been involved in joint authoring of draft policies relating to flood risk, coastal change risk and Sustainable Urban Drainage to support Bournemouth, Christchurch and Poole's development agenda for the next 15 years. A Strategic Flood Risk Assessment (SFRA) is also in preparation, which includes a new assessment for Bournemouth, Christchurch and Poole's open coast to establish the risk from wave action. A new Christchurch Bay and Harbour Flood and Coastal Erosion Risk Management (FCERM) Strategy for managing flood and coastal erosion risks for the next 100 years in a sustainable way from Hengistbury Head to Hurst Spit, has been completed and was adopted by Council in 2025. A new integrated cliff management strategy for all the Bournemouth, Christchurch and Poole area sea cliffs and chines is in preparation and a review of the 2014 Poole Bay, Poole Harbour and Wareham FCERM Strategy is now underway. The team has also prepared a new beach management plan that will draw together historic information on how beaches between Sandbanks and Hengistbury Head have been managed, creating a single reference for how the beach is managed to ensure it provides its vital coast protection function. This is supported by developing a new, integrated approach to managing the sand dunes at Sandbanks to balance the coast protection, ecological and amenity value of the dunes. New beach management plans are also in development for Mudeford, Sandbank and Avon Beach to Highcliffe.

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

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place and flooding and coastal erosion management measures in place as described above.

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Work is underway installing rooftop solar to our corporate estate. The Pier Cafe is now complete. A project pipeline is being developed. This is a priority action within the LAEP action plan: to install 100 rooftop solar schemes by 2030.	2030
Action 2:	Heat network feasibility is now complete and next actions currently being developed. Proposals will be considered at Corporate Management Board, including preferred delivery models.	Oct 2026
Action 3:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		⟷

Quarter Update

Good progress has been made during this last quarter, the first solar rooftop installation has been delivered at the Pier Cafe and a solar pipeline is now being developed. A solar framework for installers and surveyors is now procured.

Energy Performance Certificates for our corporate buildings have now been commissioned; this is a statutory requirement but also fulfills our review of energy performance across our corporate portfolio of properties.

The heat network study is now complete and next steps are currently being drafted.

Solar Power Purchase Agreement and green electricity supply now being considered as part of a wider business case, due to go back to Corporate Management Board in October 2026.

Direction of Travel

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

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

Risk CR26 – Risks associated with the availability of Generative Artificial Intelligence (GenAI)

Risk Owner – Sarah Chamberlain, Director of IT and Programmes

Cabinet Member – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Creating an environment for innovation, learning and leadership

Risk Information

Artificial intelligence (AI) is a way of using computers to replicate human intelligence - Generative AI (GenAI) is one of many forms of AI.

GenAI produces texts, images and other content from people telling the model what to do (sometimes referred to as 'prompting'). GenAI models have learnt from a huge amount of information, often taken from the internet, to produce this content.

GenAI can already be accessed by staff and councillors through:

- Websites (e.g. ChatGPT, Bing or Dal-E)
- Individual apps for personal computers or phones (e.g. Google Assistant lets you ask when your first meeting is)
- Plug-ins for websites (e.g. Expedia allows people to use GenAI to ask for travel plans and flight details)
- New features within computer software (e.g. Microsoft CoPilot and CoPilot365)

Currently, GenAI is most used to support individual tasks and act as a personal assistant, for example:

GenAI can help you be more creative:

- Create images and videos from scratch by simply telling a tool what you want to see
- Come up with lots of new ideas in seconds - for example, coming up with icebreakers for meetings

It can help you be more productive:

- Create first drafts of an email or document for you to finish writing, and then find ways to improve the quality of your writing once you have done so
- Quickly find sources of information and break down complex topics into easy-to-understand information
- Summarise meeting notes and documents

However, improvements and the widespread availability of GenAI tools mean it can also be used for many other tasks, changing how we work, how residents engage with us and how the council runs and makes decisions.

The Local Government Association has identified several key risks the use of GenAI places on councils (external link to LGA website).

The risks identified include insufficient data foundations, a lack of capacity or knowledge within information governance and data protection teams, the perpetuation of digital exclusion and wider forms of exclusion, insufficient knowledge across different business areas in the council, a lack of transparency, job losses, and the impact on resident trust if not implemented transparently and appropriately.

To achieve a balance between innovation and regulation, this high-level risk will attempt to lay out some of the early identified risks, and potential mitigation, that BCP Council will consider as it embraces the use of GenAI within the organisation.

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

Trust and Transparency: There are risks about the potential for GenAI to generate misleading or false information, also known as "hallucinations". This could lead to the spread of misinformation or disinformation or even lead to incorrect advice being provided to residents if unchecked which could lead to undesirable outcomes.

Ethics and Bias: GenAI models can inadvertently perpetuate or amplify existing biases present in the data they were trained on. This could lead to unfair or discriminatory outcomes.

Data Privacy: GenAI often requires access to large amounts of data for training and operation. Ensuring the privacy and security of this data is a significant concern. Without sufficient technical controls or user-training in place it is likely that potentially sensitive data may be exposed.

Data Retention and Compliance: GenAI models often retain training data, which may conflict with Subject Access Request requirements to delete or anonymise personal data upon request and affect the ability to comply fully with Freedom of Information Act requests.

Misuse of Technology: GenAI could be used for political propaganda, compromising local/national security, leaking confidential data, vexatiously increasing council officer workloads, and disseminating inaccurate information.

Cybersecurity Risks: As with any digital technology, GenAI systems can be vulnerable to cyber-attacks or can be leveraged to initiate more complex or sophisticated attacks (such as spear-phishing).

Erosion of Public Trust: If not properly managed, the issues above could lead to a loss of public trust in the council's use of GenAI and data in general.

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

As described above, the impacts are largely financial or reputational:

- Financial impacts through fines if data breaches occur without appropriate technical, procedural or policy controls being in place
- Reputational impacts with residents and erosion of trust in council use of data
- Increasing cyber security risks (CR04)
- Progressing with our Data and Innovation Programme with corporate buy-in is imperative to ensure we optimise the output of our Transformation Programme. We need to continue to innovate and drive continual improvement, to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around customers' needs.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- Microsoft CoPilot365 GenAI tool is currently only in a Project Managed proof of concept stage amongst 300 colleagues from all areas of the council.
- Microsoft CoPilot Chat has been successfully launched and made available to all staff with access to a device and a computer account.
- BCP Council's existing Information Security Policy already describes expected staff and councillor behaviours in respect of responsible use of IT in general, but also AI specifically.
- IT Security Training published to all staff and councillors is available through the MetaCompliance Training portal.
- Rules regarding ethical and responsible use of AI published to Our Intranet.
- Our Digital Strategy reflective of our Digital vision for BCP Council has been shared with our Directors Strategy Group, Corporate Strategy Board and with our portfolio holder. Our Data and Innovation Programme will drive the delivery of this and the initial 'discovery phase' of this programme has been signed off by our Corporate Strategy Board and is underway.
- AI briefing and overview has been delivered to Cabinet and Corporate Management Board
- The Data Loss Prevention (DLP) initiative is scoped and has progressed; however, this is now paused due to Information Governance capacity. It will be led by Information Governance to put in place an information classification scheme to be applied to all council documents. We will revisit this later in the year in discussion with Monitoring Officer.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	No
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Yes

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Implement Microsoft Data Loss Prevention (DLP). CoPilot and CoPilot365 has access to whatever data the user has access to. It is therefore imperative that additional technology is implemented to help mitigate the risks of staff or councillors "sharing" content that could make it visible to a wider set of users than intended. DLP is a security solution, already available under existing licencing (but not enabled), that identifies and helps prevent the unsafe or inappropriate sharing, transfer or use of sensitive data contained in the M365 eco-system (Teams, OneDrive, SharePoint). A project has been agreed and is currently being scoped to deliver DLP and timelines for deployment will be published in due course. **UPDATE:** Activity is currently paused pending prioritisation and resources from the works sponsor, Information Governance.	Paused
Action 2:	Consider any upskilling/resourcing of the council's Information Governance Teams to be able to provide effective professional advice to support established AI Governance bodies (Corporate Management Board) and wider colleagues. Our Continuous Improvement and Innovation Programme (CIIP) aims to deliver a key workstream focusing on how our organisation is set up operationally to support our Digital Strategy and requirement for strong governance in support of this. **UPDATE:** Ongoing as we work with our Information Governance colleagues to establish the most effective structure and approach for the organisation.	Ongoing
Action 3:	Develop IT and Programmes expertise on the topic of GenAI through formal training. Several staff in IT and Programmes are just starting a 13-month programme called "AI for Business Value". Topics covered include AI ethics, Identifying Opportunities for AI, Managing AI change in your organisation and Measuring AI ROI (return on investment) and Business Impact. **UPDATE:** Ongoing professional development is taking place across the wider IT and Programmes service, with several technical staff engaging in side-of-desk learning to expand their AI knowledge. As a result, a small but growing community of proactive, self-taught AI practitioners is emerging across different areas of the department. This community is already helping us build organisational understanding, share good practice and support early AI use-case exploration in a safe and well-governed manner.	In progress

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		⟷

Quarter Update

While tools such as Microsoft Copilot are being introduced in a managed way, the rapid pace of development and increasing availability of AI tools continues to present ongoing challenges in maintaining sufficient oversight, controls and user understanding.

Capability within the organisation is beginning to develop through training and awareness activity, although this will require continued investment to keep pace with technological change and remain sustainable.

Overall, the risk remains unchanged, with the need to balance innovation and opportunity against evolving risks relating to data protection, ethics, compliance and public trust.

Direction of Travel

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

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

Risk CR18 – We may fail to provide adequate customer interfaces

Risk Owner – Matti Raudsepp, Director of Customer & Property Operations

Cabinet Member (BCP Council – Democracy) – Councillor Andy Martin, Cabinet Member for Customer, Communications and Culture

Links to Corporate Objective(s):
Providing accessible and inclusive services, showing care in our approach

Risk Information

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

The current improvement work is resourced via business-as-usual activity. Whilst this is the case, the pace of improvements will be limited by capacity and the risk is that our current customer service capabilities, systems and processes fail to provide the level of responsiveness that our communities and residents expect.

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

Risk Causes (definite situational facts affecting our objective) (please list):
- Demand by telephone outstrips capacity to consistently meet call handling target times.
- Customer journeys through the self-service options are not always used and channel shift is necessary to create capacity for the team to provide more tailored help to those who can't use digital processes.
- End-to-end customer journeys are not always efficient, creating delays for customers and repeat avoidable contact.
- New digital functionality is not accessible to the service and is not budgeted for which restricts potential.
- There are varying degrees of sign-up to the Customer Target Operating model which was formally agreed within the Transformation Programme.

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

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:
- Customer/Citizen

- Technological
- Political

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	3	12		

Mitigations in Place & Completed Actions

- Call handling performance data is used to monitor performance.
- Staff have been trained in a wider range of skills to support areas where staff numbers have been lost to support the Medium-Term Financial Plan.
- New contact centre telephony system successfully implemented in December 2023.
- New CRM system now in place with legacy processes moved across.
- New CRM has some improved functionality and has repeatable service patterns to support end-to-end process reviews.
- Customer Strategy has been refreshed for 2026.
- A deep-dive analysis has taken place to inform areas where efficiency may be gained.
- An end-to-end process review of the Blue Badge Service has commenced to design out inefficiency and provide more guidance for applicants to improve understanding around eligibility.
- Customer Service budget reassigned to fund 1 x Business Analyst and 1 x Data Analyst to bring capacity to improvement work during 2026/7.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of acting may be disproportionate to the potential benefit gained. In these cases, the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Work with Telephony provider to maximise potential for channel shift within our current contract.	March 2027
Action 2:	Implement targeted efficiency improvements to self-service functions to turn off or reduce the need for telephone contact.	July 2026 - March 2027
Action 3:	Implement targeted efficiency improvement to contacts received via email to turn off or reduce the need for processing.	July 2026 - March 2027
Action 4:	Create and continuously update the list of technical enhancements required to improve service delivery connected with the Dynamics 365 System.	March 2027
Action 5:	Continue to innovate and learn new technologies to improve efficiency in support of the Customer Strategy.	March 2027

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

The end-to-end process review of the Blue Badge Service is on track to deliver improvements to the customer journey, bringing processing onto council systems. Launch of the new process is planned for Q2/3 2026/7, subject to testing of the functionality and approval of the refreshed policy and associated documents. In the meantime, blue badge processing timescales are operating well within the Department for Transport guidelines of 12 weeks, except in the cases where applicants have not provided sufficient evidence to determine their applications.

Project work is being scoped to set out work programmes for a new customer service funded Business Analyst and Data Analyst. Both posts have been recruited to and will start their inductions in June 2026. The project work will also inform key discussions with our telephony provider to understand how the existing product we are subscribed to can help deliver efficiencies.

The customer team are linked into the continuous improvement team in IT to explore how new technology might be used appropriately within Customer Services.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⟷	Project resource to manage a programme of activity has not been available.
Net Score		
Target Score		

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

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

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

Links to Corporate Objective(s):

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

Risk Information

Corporate Context

Safeguarding is the responsibility of all councillors and corporate officers, and this is reflected in the Corporate Safeguarding Strategy which was agreed by Cabinet in September 2025.

BCP Local Area Partnership had an Ofsted and Care Quality Commission (CQC) area SEND (Special Educational Needs and Disabilities) inspection in November 2025 which has recognised strengthened leadership, improved partnership working and clear evidence of progress since the previous inspection in July 2021, while also confirming that partners must continue to work jointly to secure consistently strong experiences and outcomes for children and young people with SEND and to update the strategic plan accordingly. The Statutory Direction has been lifted, and Bournemouth, Christchurch and Poole Children's Services and the Local Area Partnership are now working under a Statutory Improvement Notice.

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

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

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

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

Partnerships

BCP Council must ensure that it is working with all partners in the most effective way to identify, assess and respond to safeguarding issues, and those which cut across Children's, Adults' and Community Safety. BCP Council does this through various boards: the Pan Dorset Safeguarding Partnership, BCP Children's Safeguarding Board and Community Safety Partnership, Children and Young People's Partnership Board and the SEND and AP (Alternative Provision) System Leadership Board being examples.

Communities

Key consideration for the Communities directorate in discharging the range of duties provided across a range of services, community safety and domestic abuse.

Children's Services

There is an increase in demand for services and in the complexity of need in children and young people presenting to Children's Services across Children's Social Care and Education and Skills. This is placing demand on resources and budgets. For example, there is an increase in the number of children with complex needs placed in residential care which creates additional pressure on the Children's Service's budget; providers also increase their costs and there is an increase in Education, Health and Care Assessments.

There is a shortage of Children's Services social workers nationally, which means that there is a reliance on agency staff which puts pressure on budgets and can affect the continuity and consistency of service to our children and young people. Whilst there has been significant progress in stabilising the workforce, the Pay and Reward programme has had an impact on recruitment of permanent staff, and the national Memorandum of Understanding has impacted on our ability to attract agency staff.

In addition, changes within the Health system Integrated Care Board landscape, including the move towards wider strategic commissioning arrangements and reduced running costs, create a risk of reduced local capacity and slower decision-making across areas of joint responsibility. For BCP Council, this has the potential to impact pace and grip across SEND, therapeutic support, and wider joint commissioning activity with health partners, making strong partnership governance and clear accountability increasingly important.

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

- Lack of collaboration with partners
- Shortage of staff and staff capacity
- Insufficient specialist local and national placements from both in-house and external provision which also drives up the cost of placements
- Failure to deliver safe service to children and families as per the findings of the Ofsted ILAC inspection December 2024 and the Care Quality Commission/Ofsted SEND Inspection November 2025
- Poor identification and management of risk across the service and partnership.

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

- Victims, death or serious injury
- Children and Young People being placed further away from networks
- Delays in finding suitable homes
- Poor performance assessment
- Poor staff morale and further retention issues
- Litigation costs and failure to meet legislative requirements
- Council-wide economic impact with more children being placed out of borough and additional budget pressure
- Adverse media coverage - damaged reputation/public image.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Customer, physical, legislative, resource, social, contractual, political, reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		⟺

Mitigations in Place & Completed Actions

Children's Directorate

- Continued focus on the SEND improvement journey to ensure core services are safe for vulnerable children and young people.
- Since the Good Ofsted rating and removal of Children's Social Care Statutory Intervention the governance for Children's Social Care has been reviewed and new accountability structures put in place, a new development plan has been put in place to drive forward the service in place of an Improvement Plan.
- The strongest mitigation is to have the capacity and resources to meet the rising demand of need across the services and to have the assurance of the quality of practice through quality assurance frameworks and governance processes.
- Robust governance is in place to ensure that improvement continues at pace in SEND.
- Partners have launched the Children and Young People's Partnership plan which clearly identifies the shared priorities for delivering improved services for our children, young people and families.
- There is a SEND and AP System Leadership Board which holds service, council and partners accountable for the delivery of improvements identified in the improvement plan.
- Department for Education (DfE) Improvement Officers continue to oversee and support the improvement of services as identified in the Statutory Notices to Improve from the Secretary of State for SEND.
- Education Services are subject to termly Ofsted Monitoring meetings which oversee improvement and hold the service accountable for meeting statutory standards.
- A Quality Assurance Framework has been embedded into Children's Social Care practice giving the assurance that practice standards are maintained or improving. Governance processes introduced in 2022 continue to review practice and give increasing assurance that children are safeguarded. Ofsted in their ILACs Inspection 2024 confirmed that Children in Bournemouth, Christchurch and Poole are safeguarded.
- Scheme of Delegation reviewed and updated for Children's Services.
- Monthly budget management meetings between Finance and budget holders.
- Financial accountability is held at Senior Leadership Team and Children's Strategic Transformation Board through reporting by the Finance Manager.
- Ensure the BCP Council model of corporate support services and systems is fully conducive to the children's improvement journey.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	2	8		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Deliver on the SEND and Alternative Provision Improvement Plan	2026
Action 2:	Deliver on the Education Improvement plan	June 2026
Action 3:	Deliver on the new Children's Social Care Development Plan	April 2027
Action 4:	Sufficient suitable accommodation available for our care-experienced young people and placement choice of good quality locally for children in care	October 2028

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

Continued progress this quarter has strengthened safeguarding practice, leadership oversight and governance across Children's Services, building on the established 'Good' Ofsted position.

Children's Services has focused on embedding consistent practice and maintaining strong performance oversight, with regular review through senior governance structures.

Key pressures remain in SEND demand and wider system capacity. Delivery of the Local SEND Reform Plan and strengthened financial and demand management arrangements are key mitigating actions.

A local area partnership inspection was conducted in November 2025 and resulted in an Ofsted CQC inspection outcome grade 2: inconsistent delivery of services. However, it was recognised by inspectors that there had been significant improvements since the inspection in June 2021. In recognition of the improvements the DfE have stood down the DfE advisor role and dissolved the SEND Improvement Board. This has been replaced by the SEND and AP System Leadership Group jointly shared between Children's Services and Health.

Pressures remain in Children's Social Care due to the complexity of care required for Children and Young people entering care and the increase in demand against the lack of sufficient local suitable placements. Recruitment and retention of experienced permanent social workers continue to be challenging, which can affect continuity for children and families and place additional strain on budgets. The statutory agency social worker rules introduced nationally are intended to reduce over-reliance on agency staffing over time, but in the short term they continue to affect local flexibility in a highly competitive labour market.

Overall, the risk remains stable with improved controls, though demand, complexity and system pressures continue to present ongoing risk to outcomes.

Direction of Travel

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

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

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

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

Cabinet Member (BCP Council – Democracy) **–** Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services

Links to Corporate Objective(s):
Working together everyone feels safe and secure

Risk Information

Several global conflicts have required a humanitarian response/offer of refuge to those fleeing and in each case the UK government has set out its policy for accommodating and resettling refugees in every local authority area. The schemes in operation are:

- UK Refugee Resettlement (UKRS - previously known as the Gateway Scheme/Syrian Resettlement scheme)
- Afghan Resettlement Programme
- Homes for Ukraine (HfU)/ Ukraine Permanent Extension Scheme
- Communities for Afghans Scheme

In addition to these schemes the Home Office also accommodates all who arrive and apply for asylum in the UK and, if granted refugee status, these households require access to accommodation and support with community integration. Due to the exponential increase in the volume of asylum seekers arriving in the UK, the government has become reliant on contingency accommodation (nightly let hotels). Bournemouth, Christchurch and Poole currently have hotels who are contracted by the Home Office to provide this accommodation while those housed await their asylum decision. There is also a growing portfolio of private rented properties in use as asylum accommodation in the conurbation.

Risks related to asylum and refugee resettlement include:

- Potential homeless presentations from Ukrainian refugees should the HfU scheme support from government (financial incentives to sponsors) be discontinued
- Potential homeless presentations from Afghan families given notice to leave their 9-month limited Ministry of Defence (MOD) accommodation
- Lack of required support for those seeking asylum and those who are already refugees
- Safeguarding risks to asylum seekers/refugees as well as to staff or the public not being mitigated
- Pressure on the Bournemouth, Christchurch and Poole housing market which is already inhospitable and unable to meet the demand of Bournemouth, Christchurch and Poole families
- Pressure on Primary, Secondary and Community NHS services from these cohorts of new patients
- Pressure on social care services (notably Children's Services as a result of Unaccompanied Asylum Seeking Children)
- Pressure on Homelessness services as asylum seekers receive positive decisions on their applications and are given notice to vacate their Home Office funded hotel accommodation
- Repeat homelessness where single people subsequently apply for family reunion visas
- Pressure on schools to provide education and related support to refugee children
- A detrimental impact on the tourism economy in Bournemouth, Christchurch and Poole as hotels in use are a significant portion of the available rooms (impact anticipated more in summer months)
- Concerns around community cohesion and tensions in relation to asylum and refugee resettlement
- Concerns around Community Safety from Bournemouth & Poole College
- Potential increase in activity of extremist groups

Gaza and Israeli conflict

In addition to the information provided above we are also monitoring any localised tensions relating to the conflict in Israel and Gaza and receive regular updates regionally and nationally regarding the complex situation.

Protests

The Public Protection team is working closely with Dorset Police around an increase in planned and unplanned protests both in relation to the Gaza and Israel conflict and around immigration. The protests have continued weekly but have remained peaceful, with minimal arrests or dispersals. There has been a national rise in protests, with some areas of the country experiencing violence and rioting, however, this has not transpired locally. Dorset Police hold the lead, however a separate command structure has been set up within BCP Council to support. Teams such as Facilities Management, CSAS (Community Safety Patrol Officers) and highways have been engaged to provide security to the Civic site, manage traffic flow on the network and engage with protest groups. Risks from protests include:

- Damage to the Civic Centre or cenotaph
- Disruption at council meetings affecting the civic process
- Disruption to communities
- Disruption to businesses
- Disruption to the transport network

Extensive planning between BCP Council and Dorset Police is undertaken for each protest to mitigate these risks.

Home Office Engagement

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

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

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

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

- Heightened community tensions and inter-faith relationships
- Crime and disorder risks
- Number of homeless applications increased
- Number of former asylum seekers found to be street homeless increased
- Disruption to the transport network, business operations and community

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

- Multi-agency partnership working and governance framework in place, communication channels in place e.g. briefings, webpages, dedicated staff team established, links with government agencies
- Strategic leadership from BCP Council in relation to asylum accommodation and refugee resettlement, identifying need for collaboration with all stakeholders and progressing with impact assessment for the council and its partners of asylum and refugee resettlement
- Additional grant funded resource recruited to manage this new programme and case manage households now resident in the Bournemouth, Christchurch and Poole area and enable proactive preventative support
- Engagement with the Home Office and their contracted providers to discuss and deliver dispersed asylum accommodation in the community
- Work with the voluntary and community sector (VCS) to address gaps in support required across all schemes
- Appropriate use of tariff incomes to incentivize hosting sustainment and access to move-on accommodation for Ukrainian refugees
- Intensive prevention/welfare case support to Ukrainian scheme guests and hosts to discuss options and planned exit from the scheme if funding does end
- Lobbying of the Ministry of Housing, Communities and Local Government and the Home Office re pressures and required resources to address family reunion homelessness
- Participation in Local Authority Housing Fund programme (government grant funded) to mitigate the risk of homelessness for Ukrainian and Afghan refugees while adding to housing portfolio of BCP Council longer term
- Lobbying on the pressures being experienced by local authorities to Ministers and the Home Office
- Regular updates from the Home Office on the situation in Gaza and Israel, both abroad and in the UK
- BCP Council command structure working with Dorset Police to manage protest intelligence and responses.

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue to monitor community tensions relating to the conflict in Gaza and Israel and work with partners to address as needed	ongoing
Action 2:	Continue to work with Dorset Police regarding regular planned protests	ongoing
Action 3:	Continue to monitor community tensions relating to protests and work with partners to address as needed	ongoing
Action 4:	Recruitment of a Community Cohesion Officer (2-year fixed term)	Q4 2025/6
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

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

Quarter Update

Macro-Economic Climate - Iran Conflict

Since 28 February 2026, the escalation of conflict in the Middle East, including direct military action involving Iran, has introduced a significant macroeconomic shock primarily through energy markets. Disruption to oil and gas supply has driven sharp increases in global energy prices, reversing the expected disinflation trend and contributing to renewed upward pressure on UK inflation, with forecasts indicating higher price levels later in 2026.

For the council the combined effect is likely increased inflationary pressure for services, particularly within demand-led services such as social care and homelessness. Higher inflation also creates a higher for longer" interest rate environment, increasing the cost of the councils' borrowing costs.

Direction of Travel

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

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

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

Risk Owner – Glynn Barton, Chief Operations Officer

Cabinet Member (BCP Council – Democracy) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet

Links to Corporate Objective(s):

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

Risk Information

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

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

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

Update: A new Local Plan timetable under the new planning system was agreed by Cabinet on 27 May 2026.

There is a risk that the Local Plan will not be adopted by the end of 2028 (now January 2029), as set out in the updated timetable.

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

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

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

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

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

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

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

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

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Procure evidence base	May 2026 Complete with one exception. See quarter update below.
Action 2:	Formally update Cabinet on timetable changes and agree governance arrangements	May 2026 Completed
Action 3:	Complete scoping consultation	July 2026
Action 4:	Complete Gateway 1	Sept 2026
Action 5:	Undertake Plan Content and Evidence Consultation	Oct/Nov 2026

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		⟷

Quarter Update

A Cabinet report outlining timetable and process was agreed on 27 May 2026. The timetable and formal notice to commence plan making will now be published. As required by regulations a scoping consultation will commence in June 2026.

Cabinet agreed the setting up of a cross party member Local Plan Working Group, meetings will be set up from June 2026 onwards. Representatives to be identified. Overview & Scrutiny Board made recommendations to Cabinet about the Working Group, which were agreed by Cabinet. Overview & Scrutiny Board will be the formal channel for scrutiny of the Local Plan as it is prepared.

With the exception of the Sustainability Appraisal, all evidence required at this stage has been procured. The Sustainability Appraisal process procurement is underway, having been delayed due to potential changes to the process that were due to be introduced through secondary legislation. This legislation has not yet been issued by government.

Further project management resource to support the Local Plan preparation is being sought.

At present the progress of the Local Plan remains on track.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⟷	The formal start of the process has been agreed by Cabinet and remains on track at this time. In preparing Plan Content and Evidence consultation the challenges and options will be explored in more detail.
Net Score	⟷	The formal start of the process has been agreed by Cabinet and remains on track at this time.
Target Score	⟷	The formal start of the process has been agreed by Cabinet and remains on track at this time.

Risk CR25 – We may be unable to effectively transform services to achieve efficiencies and improve service standards

Risk Owner – Corporate Management Board Collective

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

Links to Corporate Objective(s):

- Creating an environment for innovation, learning and leadership
- Using our resources sustainably to support our ambitions
- Using data, insights and feedback to shape services and solutions

Risk Information

With the closure of the BCP Transformation Programme in March 2025, it is essential we maintain our focus on achieving the efficiencies targeted as outputs of the programme and that we have a sustained focus on improving service standards.

Efficiencies and improved service standards are predicated on having the resource (financial and people) to identify and implement the changes necessary to achieve the council's operating model. An environment of increasing financial challenges or other demands on council resource could slow the rate of tangible benefits associated with transformation or require the council to reassess its initial ambitions based on what is achievable.

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

- Reduction in financial and human resources available to deliver, support and drive a culture of change, innovation and focus on efficient approach to service delivery and practice
- Increase in demand on services to deliver business as usual and lack of workforce engagement with innovation and development of digital skills and mindset
- Conflicting corporate and service led priorities
- Further requests for service transformation funding
- Lack of funds to build growth, capacity and capability in established Centres of Expertise i.e. Data and Analytics, Procurement, Projects and Programmes (PPM)
- Transformation Programme closing without a sustained plan of approach for continuous improvement and strategic intent, to build on the outputs of transformation, to drive efficiencies and realise ongoing associated benefits.

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

- Slower pace of change
- Unable to achieve Operational Model and foundations to enable ongoing efficiencies across our organisation
- Negative view of the Transformation Programme and what it promised, both internally within our organisation and outwardly by our residents. Detrimental to our reputation and great success with the Transformation Programme and its outputs.
- Poor return on the investment we have made on our technology stack and the opportunities we have to link this with strategic systems and innovation/efficiencies
- Inability to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around their needs
- Longer term associations to our ability to recruit if we are unable to offer modernised, efficient approaches to our work, service delivery and processes through technology.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

The following risk categories apply:
Corporate Risk Categories: Technological, Customer/ Citizen, Economic, Political
Service Risk Categories: Resource, Technological

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

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

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

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	2	4		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue Children's Transformation Programme – programme extended UNDERWAY	April 2027
Action 2:	Continue Adults' Transformation Programme UNDERWAY	April 2027
Action 3:	Develop and establish a new Data and Innovation Programme Phase 2 in scoping stage	Phase 2 being developed Closed as incorporate into CIIP
Action 4:	Continue Strategic Corporate Management Board and Cabinet Members' Digital Working Group (ensuring robust knowledge exchange)	Ongoing
Action 5:	Establish Corporate Continuous Improvement & Innovation Programme (CIIP)	Complete
Action 6:	Stand up Continuous Improvement & Innovation Programme	In progress

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	2	4		⟷

Quarter Update

Progress has continued this quarter in embedding the council's Continuous Improvement and Innovation Programme (CIIP) as a mechanism for driving service transformation, efficiencies and service improvement. The programme is helping to create a more structured and sustainable approach post transformation, moving activity beyond one-off projects and into a more embedded model of continuous improvement across services.

CIIP is currently in discovery stage, incorporating key learnings and outputs of the Data & Innovation Programme. It is focused on identifying a pipeline of improvement activity focused on service redesign, process simplification, productivity and better use of digital, data and insight. This is strengthening the council's ability to identify and prioritise opportunities that both improve service standards and contribute to financial sustainability. Governance and oversight arrangements are supporting clearer prioritisation and stronger alignment between improvement activity, corporate priorities and Medium Term Financial Plan requirements.

While progress is positive, delivery remains dependent on organisational capacity, service readiness and the ability to balance improvement activity with day-to-day operational pressures. The risk therefore remains under active review, but the continued progression of CIIP provides greater confidence in the council's ability to transform services in a planned and sustainable way.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⟷	The scale of transformation required across the council remains significant.
Net Score	⟷	Governance and delivery activity are in place, but competing pressures continue to affect pace and capacity.
Target Score	⟷	The longer-term target remains appropriate but depends on sustained delivery of transformation and benefits realisation.

Risk CR16 – Partnerships may not support delivery of the corporate strategy, objectives or priorities

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

Cabinet Member (BCP Council – Democracy) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet

Links to Corporate Objective(s):
Working closely with partners, removing barriers and empowering others

Risk Information

The 2019/20, 2020/21, 2021/22 Annual Governance Statements included partnership governance as a significant governance weakness. In 2021/22, the identified actions were:

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

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

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

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

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

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

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

- Lack of resources to maintain a council partnership register, develop and gain approval for a partnership governance framework
- Lack of resources to ensure guidance is shared, promoted and championed

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

- Poor knowledge of its partnerships, the way they are governed and the value derived from them puts the council at risk in terms of resources, reputation, legal and financial impacts.
- Council is not compliant with its own policy and/or recommended guidance from Government/other organisations.

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:
Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

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

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	2	4		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Corporate Management Board (CMB) to determine what level of corporate oversight is required for partnerships. Head of Service to bring a report to CMB outlining actions taken and to enable CMB to: • consider whether all existing partnerships are still required and fit for purpose to deliver corporate priorities efficiently and effectively, and thereafter to: • provide assurance (such as via a best practice checklist) over the governance arrangements in place for key partnerships • agree and co-ordinate production of relevant performance information to facilitate corporate oversight	April 2026 Completed
Action 2:	Ensure framework is operational/provide relevant performance information facilitating corporate oversight	April 2026 Completed
Action 3:	Services are to review their partnership registers in more detail to consider: • Whether the partnership is required • Whether the governance arrangements in place meet best practice • Put relevant performance monitoring in place These reviews will take place annually.	Ongoing

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

Corporate Strategy Delivery Board received a strategic partnerships update in February 2026 from the Head of Policy, Strategy & Partnerships, which brought them up to speed on the work that had been done on the registers and the actions above since resources were in place. The report provided summarised the data in the registers, highlighting for example the number of strategic partnerships there are overall, a breakdown by service, and analysis of where work was still to be done by services to complete their registers.

The board agreed it should remain as a corporate risk and were keen to see continued action to reach a more complete picture of the partnerships the council has, to enable a more strategic conversation to be had at future board meetings around value, opportunities and efficiency as well as risk.

To achieve this the board committed to ensuring the registers for their services were reviewed again and more thoroughly completed by their teams, with the Director of Wellbeing offering time at her Directorate

Management Team meeting to work through their register with the Policy Team to ensure completion. This meeting will take place in June 2026.

It was agreed that reporting back to Corporate Strategy Delivery Board (or similar) at an appropriate frequency (annually) would be the right level of assurance and oversight and this will be actioned through the forward plan and agenda setting. Action 1 can therefore be shown as completed.

Direction of Travel

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

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

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

Risk Owner – Rob Carroll, Director of Public Health & Communities

Cabinet Member (BCP Council – Democracy) **–** Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy

Links to Corporate Objective(s):

Working together everyone feels safe and secure

Risk Information

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

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

- Police Operation Clear, Hold, Build that tackles organised crime which is significantly linked to serious violence
- A new Serious Violence Strategy that works with partners to address the root cause of serious violence
- Policing operations increasing visibility such as Operation Nightjar and Operation Track
- Town Centre Action Partnership Group and tactical groups that have a multi-agency response to tackle issues in Bournemouth Town Centre
- Evidence-led approaches to the deployment of resources
- Community Safety Partnership (CSP) in place to tackle the most prevalent issues in relation to community safety
- Initiatives delivered based on CSP priorities around serious violence, violence against women and girls, exploitation and anti-social behaviour
- Pan-Dorset Prevent Partnership and Channel Panel.

In the Bournemouth, Christchurch and Poole area, violence against women and girls (VAWG) is one of the four key priorities for the Safer BCP Community Safety Partnership. Tackling issues relating to VAWG and all gender based violence is also a key priority for the Safer BCP Serious Violence Strategy, following the detailed analysis undertaken through our Serious Violence Needs Assessment. To this effect we have a BCP Adults Safeguarding Board, and Pan-Dorset Children's Safeguarding Board alongside other groups including a Domestic Abuse Strategic Group, Serious Violence Delivery Group (Sexual Offences), Sex Workers Risk Assessment Conference, MARAC (multi-agency risk assessment conference - high risk domestic abuse) and other task and finish groups as identified through the monthly data analysis.

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

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

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

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

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

Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best:

Citizen, Social, Physical, Resource, Economic, Environmental, Political, Reputation

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	2	6		

Mitigations in Place & Completed Actions

- Supporting Dorset Police in Clear, Hold, Build initiative, hotspot policing and key operations to enhance visible presence across the conurbation
- Serious Violence Strategy and Serious Violence Delivery groups to identify and tackle serious violence issues in Bournemouth, Christchurch and Poole, monitored through the statutory BCP Community Safety Partnership
- Safer Streets 5 funding - completed
- Ongoing grant funding from Department for Transport (DfT) for an anti-social behaviour (ASB) Community Safety Accreditation Scheme managing anti-social behaviour on the public transport network - completed
- Successful grant funding under the Bus Service Improvement Programme to install 250 CCTV cameras at the most used bus stops
- Pan-Dorset Prevent Partnership working to raise awareness of Prevent and Contest with partners across Bournemouth, Christchurch and Poole
- Channel Panel for individuals at risk of being drawn into terrorism
- Pan-Dorset Prevent Partnership to raise awareness of Prevent, the signs and symbols to look for and how to refer someone if appropriate
- Prevent Week of Action in October 2025 providing a range of webinars, information events and training for professionals, parents and carers, governors etc
- Independent Advisory Group with Dorset Police to gather information, concerns and monitor any community tensions
- Monthly and quarterly data reviews relating to crime and disorder and crime hotspots alongside an annual strategic assessment which sets the priorities for the work of the Community Safety Partnership

Risk Response Strategies

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

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

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

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	1	2		

All Significant Actions to Achieve Proposed Target Risk Score:

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

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2025
List All Significant Actions Below:		
Action 1:	Community Safety Partnership Executive Board to review Community Safety concerns	Ongoing on a quarterly basis
Action 2:	Pan-Dorset Prevent Partnership to revise its delivery plan for 2026	Q4 2025/6 Completed
Action 3:	South West Prevent Month of Action to raise awareness of Prevent and how to submit a referral	October 2026
Action 4:	Community Cohesion Officer in post	April 2026
Action 5:	Recruitment for a Prevent and Protect Officer for the BCP Council area	June 2026

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likeli-hood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		⟷

Quarter Update

The Joint Terrorism Analysis Centre has raised the current threat level to SEVERE meaning a terrorist attack is highly likely in the next six months. Although we are not aware of any specific threats to the Bournemouth, Christchurch and Poole area we are recruiting a fixed term Prevent and Protect Officer to raise awareness of these processes under the CONTEST strategy and ensure we have robust procedures, training and processes in place to reduce any localised risk.

Our community Cohesion Officer started in post in April 2026 and is working with our communities across Bournemouth, Christchurch and Poole to ensure that we have meaningful engagement and information flow with all our communities. This has proven particularly meaningful in the light of the Golders Green attack, enabling us to ensure we have been able to target messaging at those most affected by the incident.

Direction of Travel

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

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	⟷	The geopolitical situations currently impacting our communities continue to be of concern, and we review the situation based on any local intelligence given to us.
Net Score	⟷	
Target Score	⟷	

This page is intentionally left blank

Appendix 5

Risk Hierarchy

This page is intentionally left blank

Appendix 6

Enterprise Risks

Enterprise Risk	Risk Description	Risk Owner
Service Delivery – Disruption or Deterioration	Disruption or deterioration in the day to day service provision or activities of the council	Chief Operations Officer
Commercial / Contractual arrangements	Risks arising from weaknesses in the management of partnerships, supply chain or other contractual arrangements	Interim Director of Finance
Financial – stability and resilience	Ability to maintain a balanced budget for the delivery of services	Interim Director of Finance
People	Risk that workforce capacity, capability, culture and industrial relations are insufficient to sustain effective and compliant service delivery	Director of People & Culture
Health & Safety arrangements	Risks associated with a failure to deliver effective Health and Safety arrangements	Interim Director of Finance
Technology	The risk that technology solutions fail to meet current and future service needs due to weaknesses in cyber security, design, development, operations or resilience, including the use of artificial intelligence.	Director of IT & Programmes
Environmental and Asset Management	Risk arising from environmental impacts including climate change. Risk arising from the ownership and management of a wide portfolio of assets including ineffective or insufficient safety management.	Chief Operations Officer
Failure of governance including regulatory	These are risks arising from failing to comply with legal, regulatory or statutory obligations. This would include but not be limited to risks around information and data governance.	Interim Director of Law & Governance
Reputation	Adverse events or failures to meet required objectives or standards that result in destruction or damage to trust and relations	Director of Marketing, Comms & Policy
Programmes & Projects	Risk relating to capacity and funding constraints within PPM, limiting the ability to focus on and prioritise the programmes and projects that best support corporate priorities, and impacting the delivery of agreed requirements and intended benefits within time, cost and quality.	Director of IT & Programmes
Safeguarding	Risks associated with a failure to deliver effective safeguarding arrangements where such duties exist	Corporate Director for Children's Services and Corporate Director for Wellbeing

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Internal Audit - Quarterly Audit Plan Update**
Meeting date	30 July 2026
Status	Public Report
Executive summary	This report details progress made on delivery of the first quarter of the 2026/27 Audit Plan plus the last month of the 2025/26 Audit Plan. This report highlights that: • All audit assignments from 2026/27 have been completed • 29 audit assignments have been finalised, including four 'Partial' audit opinions; • 17 audit assignments are in progress; • Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion; • Eight high and three medium priority recommendations have not been fully implemented by the original target date or agreed revised date (as at 30 June). Explanation has been received from the relevant Directors as to why these have not been completed.
Recommendations	**It is RECOMMENDED that Audit & Governance Committee:** **a) Note progress made and issues arising on the delivery of the 2025/26 and 2026/27 Internal Audit Plans.** **b) Note the explanations provided for non-implemented recommendations (Appendix 1) and determine if further explanation and assurance from the Service / Corporate Director is required.**
Reason for recommendations	To communicate progress on the delivery of the 2025/26 and 2026/27 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance

	☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Not applicable
Classification	For Information

Background

1. This report details Internal Audit's progress on delivery of the first quarter of the 2026/27 Audit Plan (April to June inclusive) plus the final month of the 2025/26 Audit Plan (March) and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management as at 30 June 2026.

Delivery of Internal Audit Plan – 2025/26 and 2026/27 (March, and April – June 2026)

3. All 2025/26 Internal Audits have been completed.

4. 29 audit assignments have been **finalised** between March and June as outlined below:

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
	2025/26 Audit Plan					
1	Finance, Estates and Benefits	**Asset Management (Estates)(Core KAF)** ➢ Review whether asset condition surveys impact asset valuations ➢ Follow up previous recommendations	Partial	0 (+ 1 previously raised)	1 (+ 4 previously raised)	2 (+ 1 previously raised)
2	Schools	**Burton CE Primary School** ➢ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance	Reasonable	0	14	3
3	Finance, Estates and Benefits	**Business Continuity (Core KAF)** ➢ Business Continuity Arrangements ➢ Testing Arrangements ➢ Training ➢ Follow up previous recommendations	Reasonable	0	2	1
4	Adult Social Care	**Community Mental Health** ➢ Key responsibilities as set out in the S75 agreement, including: o Governance and Oversight arrangements o Performance Framework Monitoring o Financial Arrangements o Risk Management Arrangements o Information Governance Arrangements o Complaints Handling and Learning	Reasonable	0	4	3
5	Adult Social Care	**Extra Care Housing** ➢ Governance – review: o Governance arrangements to confirm Extra Care Housing supported by	Reasonable	0	4	3

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		policies/ procedures, roles, aligned strategy, effective risk and performance management o Provider performance management process o Eligibility and Access – review compliance with eligibility criteria to confirm that Extra Care Housing is accessed only by eligible applicants, with supported referrals and consistent, documented decisions ➢ Allocation & Waiting List Management – review allocation and waiting list management processes to ensure that they are managed effectively ➢ Charging & Contributions - review of the charging and contributions arrangements to ensure that they are documented, monitored, and awarded				
6	Finance, Estates and Benefits	**Debtors (KFS)** ➢ Systems & procedures - review current system and operating procedures and confirm whether there are any changes ➢ Key Controls - review key controls and confirm they are operating correctly: o Segregation of duties o Debtor set up o Debt recovery o Debt write-offs o Reconciliations to the general ledger ➢ Follow up previous recommendations	Reasonable	0	1	2
7	Finance, Estates and Benefits	**Health & Safety (Core KAF)** ➢ Training and Communication - review of: o training programmes in place and completion rates o communication of service policies, procedures and updated ➢ Risk Management - review of risk management arrangements related to Health and Safety ➢ Monitoring, Assurance and Reporting - review of: o performance indicators o internal inspections carried out by the service o escalation processes of significant risks and non-compliance	Partial	1	3	0
8	People & Culture	**Human Resources (Core KAF)**	Reasonable	0	2	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Absence Management - review of: o Absence management policies, including application and compliance. o Absence data reporting to senior managers ➢ Performance – review of: o New Performance policy, including application and compliance o Arrangements in place to monitor the completion of performance reviews o Reporting arrangements.				
9	Wellbeing Directorate Wide	**Human Resources (Service KAF)** ➢ Recruitment - Review sample of new starters to confirm the following were completed: o References o Right to Work checks o DBS checks (where required) o Qualification evidence (where required) ➢ Onboarding - Review sample of new starters to confirm the following were completed: o Inductions o Mandatory Training o Probation Meetings / Forms (where required) ➢ Agency Staff - Review sample of agency workers to confirm that: o IR35 checks were completed o contracts are compliant with the Recruitment & Selection Policy	Reasonable	0	3	2
10	Law & Governance	**Information Governance (Core KAF)** Review of governance arrangements including: ➢ Established Information Governance Board that meets on a regular basis ➢ Performance reporting to the Board covering Freedom of Information (FOI) requests, Subject Access Requests (SARs), and personal data breaches ➢ Information Governance Board Risk Register ➢ Mandatory training requirements, with completion rates monitored by the Information Governance Board	Consultancy	0	1	0
11	Law & Governance	**Local Land Charges** ➢ Governance & Regulatory Compliance – review of: o Governance arrangements and roles and responsibilities	Reasonable	0	3	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		○ Any changes in legislation or process ○ Compliance with statutory timescales ➢ Data Quality, Accuracy & Corrections – review of: ○ Service actions to ensure Local Land Charges data is accurate, complete and up to date ○ Procedures for identifying, correcting and resolving data inaccuracies ➢ Service Performance - review of: ○ Currently used performance metrics and reporting arrangements ○ Customer satisfaction and service complaints to influence service delivery ➢ Income - review of: ○ Income arrangements for Local Land Charges ○ Income reports to confirm that VAT transactions are processed correctly				
12	Children's Social Care	**Pathway Plans** ➢ Governance - Review of governance arrangements to ensure: ○ Guidance/ procedures are in place and are in line with relevant legislation. ○ Strategies/ policies are in place ○ Roles and responsibilities are appropriate. ○ Risk management arrangements are in place ➢ Pathway Plans - Review of pathway plans to ensure: ○ they are created and reviewed appropriately for all looked after children over 16 years old, in line with requirements and relevant timescales, ○ they have consulted multi-agencies where relevant ○ they have been appropriately authorised ○ record keeping is appropriate ➢ Performance Monitoring and Reporting - Review of ○ performance monitoring of pathway plans ○ internal and external reporting of pathway plans	Reasonable	1	2	1
13	Housing & Public Protection	**Procurement & Contract Management (Service KAF)** ➢ Governance ○ Policies and procedures are in place outlining the process and roles and responsibilities for the Service's Procurement & Contract Management. ○ Procurement & contract arrangements are adequately recorded and are	Reasonable	0	2	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		actively monitored. o Officers have received adequate procurement training. o Risks have been identified in a risk register. ➢ Compliance with Procurement Legislation & Financial Regulations o Procurement exercises have been undertaken in line with the Council's Financial Regulations and/or Procurement Legislation. o Procurement decision records are completed for all relevant activities. o Authorisation have been made in line with the scheme of delegation. o Contracts have been recorded in the Councils Contracts Register. o Reported breaches have been responded to actioned. ➢ Performance Monitoring - contract and supplier spend is monitored to ensure value for money is being achieved.				
14	Finance, Estates and Benefits	**Procurement (Core KAF)** ➢ Breach Reporting - review of the arrangements in place for ensuring breaches of Financial Regulations are recorded and reported in accordance with corporate processes. ➢ Legacy Waivers and Exemptions - review of the arrangements in place to ensure that legacy waivers and exemptions are revisited and supported by a new Procurement Decision Record as they lapse. ➢ Follow up previous recommendations	Reasonable	0	2	0
15	Public Health & Communities	**Public Health (Key Assurance Review)** ➢ Review of arrangements in the following areas: o Asset Management o Business Continuity & Resilience o Business Planning & Performance Management o Financial and Budget Management o Fraud Awareness and Whistleblowing o Health & Safety o Human Resources o ICT o Information Governance o Partnerships	Reasonable	0	3	5

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		○ Procurement ○ Project and Programme Management ○ Risk Management ○ Safeguarding				
16	Public Health & Communities	**Public Health Grant** ➢ Governance of grant funding - review of the arrangements in place to ensure receipt, recording and allocation of public health grant funding is effective. ➢ Management of delegated funds - review of the arrangements in place to ensure there is effective management of project and delegated monies to partners and council services including: ○ Decision making for allocation ○ Delivery agreements/memorandums of understanding ○ Ongoing monitoring of grant spend and delivery of objectives. ➢ Reporting - review of the arrangements in place to ensure: ○ effective regular internal performance reporting is undertaken to inform monitoring and decision making ○ the arrangements in place for providing evidence and return to central government in support of grant use are effective.	Reasonable	0	6	2
17	Housing & Public Protection	**Right to Buy (Counter Fraud)** ➢ Application Process ○ Review of the application process to ensure appropriate checks have been undertaken ○ Review to ensure that the discount calculations are applied correctly (including repayment of discounts) ➢ Counter Fraud Checks ○ Review of checks that are undertaken to verify an applicant's identity and address ○ Review of eligibility criteria and checks (including out of area tenants) ○ Legal compliance procedures including source of funds ○ Ensure adequate separation of duty over approval of RTB requests	Reasonable	0	4	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
18	Finance, Estates and Benefits	**Risk Management (Core KAF)** ➢ Governance o Review of the BCP Risk Management Strategy o Review of oversight and accountability of Risk Management at both a Corporate and Service level ➢ Management of Risk (Corporate and Service) o Review of Corporate & Service (on a sample basis) Risk Register content, relevance, monitoring, scoring and actions to ensure this is in line with best practice and the Risk Management strategy o Risk identification processes ➢ Compliance o Compliance arrangements are operating effectively to ensure compliance with the Risk Management strategy o Escalation procedures	Consultancy	-	-	-
19	Quality, Improvement, Governance & Commissioning	**BCP Safeguarding Partnership (Service KAF)** ➢ Governance arrangements - appropriate governance arrangements are in place and in line with statutory guidance ➢ Procedures - procedures are in place that all lead partners and relevant agencies can access ➢ Data Sharing - appropriate data sharing agreement is in place and relevant training is provided if needed ➢ Risk Management - review of the risk management process ➢ Funding - funding is appropriately documented, and lead partner (BCP) are receiving funds as scheduled	Reasonable	0	4	7
20	Adult Social Care	**Safeguarding (Core KAF)** Review corporate safeguarding arrangements including: ➢ Council's governance framework arrangements (including roles, responsibilities, and procedures for identifying and responding to safeguarding concerns) ➢ Review of monitoring and oversight. ➢ Safeguarding risks are considered and included as part of the corporate risk management framework and within corporate and service risk registers	Reasonable	0	2	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Safeguarding champions network in place, all directorates have nominated officers and attend network meetings ➢ Safeguarding mandatory training for all employees ➢ Safer recruitment, vetting & workforce procedures ➢ Commissioning & Procurement have proportional safeguarding requirements ➢ DBS checks and Safeguarding mandatory training is carried out for Councillors				
21	Marketing, Comms & Policy	**Sustainable Environment (Core KAF)** ➢ Review of previously confirmed activities to be undertaken by the service in 25/26 including strategy, governance & resourcing ➢ Review of the new LAEP (Local Area Energy Plan) action plan to confirm that actions are targeted, timely & monitored and reported on	Reasonable	0	1	0
22	Housing & Public Protection	**Temporary Accommodation and B&B Financial Management (Follow Up)** A follow-up of previous recommendations made including; ➢ Governance - review of performance reporting requirements, including format, frequency and content (ensuring that historic information is provided to enable trend analysis) to provide suitable assurance regarding management of Temporary Accommodation and B&Bs. ➢ Budget Setting – including review of: o Baseline budgets to ensure they align with current and anticipated expenditure. o Budgets to ensure they are accurately reflected in the Main Accounting system. o Financial monitoring reports to ensure they support timely and effective decision-making. o Temporary Accommodation Strategic Asset Management Project	Reasonable	0	0 (+ 1 previously raised)	2
23	Customer & Property	**Fire Safety – Corporate Buildings (Core KAF)** Review of: ➢ Fire Safety Position Statement ➢ Corporate building fire safety approach ➢ Responsibilities ➢ Evacuation Procedures ➢ Risk Improvement actions ➢ Training and Communication	Reasonable	0	5	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Previous audit recommendations				
24	Customer & Property	**Asset Management (Facilities Management) – BCP Leisure Centre Health & Safety Compliance (KAF)** Review of arrangements in place for the following health & safety compliance areas within Facilities Management: ➢ Asbestos ➢ Gas Safety ➢ Electrical Safety ➢ Water Hygiene ➢ Lifts	Partial	3	7	2
25	Adult Social Care	**Better Care Fund (BCF)** ***Note -*** *This was a* ***joint internal audit*** *between the internal audit providers of NHS Dorset ICB, Dorset Council and Bournemouth, Christchurch & Poole (BCP) Council; BDO LLP, SWAP Internal Audit Services and BCP Internal Audit team (BCP IA). A joint Terms of Reference was produced, and one report was issued, containing the findings, recommendations and management responses from the audit testing undertaken by BDO, SWAP and BCP IA.* Scope for BCP Internal Audit – Council's elements of the BCF ➢ Delivery and performance of the BCF. Informed decisions, exercise oversight of risks and performance. How issues are escalated and whether effective remediation taken ➢ Understand any concerns, gaps in information or areas of unfunded services ➢ Review overarching S75 Agreement and content of BCF 2025-26 Planning Template to confirm information is consistently documented and accurately reflected in reports ➢ For each funding flow received, the budget / cost centre will be established. For a sample of schemes, review what the funds are spent on, that this is monitored, there is a clear and transparent process delivering value in line with the BCF principles and priorities ➢ Review the activity data information that is linked to the BCF. Select a sample of KPIs and agree this to source system data to assess the quality and accuracy	Partial *Note – the BDO report format was used, with the following opinion:* Design Opinion – Limited Effectiveness Opinion – Moderate *For the purpose of this report, to allow consistency and understanding, this has been categorised as 'partial' in line with BCP Council IA Charter and procedures.*	2 (BCP) *(2 total)*	3 (BCP) *(4 total)*	1 (BCP) *(2 total)*

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		Key risks reviewed by all internal audit providers: ➢ Risk 1 - Lack of transparent reporting and robust governance arrangements for managing the BCFs resulting in ineffective oversight, lack of accountability and poor collaboration between Dorset and BCP Councils and NHS Dorset ICB ➢ Risk 2 - Funds are not being utilised in the areas prescribed could result in ineffective funding that fails to deliver the quality of care and outcomes people should expect from the services that are commissioned ➢ Risk 3 - Data is of poor quality and outcome measures / key performance indicators (KPIs) are not comprehensive, resulting in the inability to gain a valid and insightful understanding of how the service is performing.				
26	Adult Commissioning	**Care Technology** ➢ Governance – review of o ASC Prevention Strategy and policies/ procedures o Risk register relating to care technology. o Appropriate training is undertaken. ➢ Referrals and Issuing Care Technology Equipment - review of the referrals process and how care technology equipment is issued. ➢ Storage and Management of Care Equipment - review of the storage and maintenance of care technology equipment, including where it is kept and how it is recorded/ managed. ➢ Project Status – review of o Project progress including action plans and the monitoring. o Budget monitoring and financial management. ➢ Performance Monitoring and Oversight – review of o Performance monitoring including measures from the ASC Prevention strategy. o Oversight and decision making relating to care technology	Reasonable	0	2	1
27	IT & Programmes	**IT Equipment Asset Management (KAF)** ➢ Asset Register Accuracy o Identification, recovery and decommissioning of unused assets. o Review frequency and completeness of stocktake records o Review of arrangements for recording of assets including timely and effective	Reasonable	0	3	2

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		review and update of records for management and accounting purposes (including maintenance, inspections, acquisitions, disposals and write-offs). o Assess the accuracy and completeness of asset register data including reconciliation to Intune				
28	Planning & Transport	**Strategic Community Infrastructure Levy (CIL) Arrangements (including S106 Recommendations Follow Up)** ➢ Strategy/Policy/Procedures o Confirm the Strategy/Policy in place for CIL and Section 106 arrangements. o Assess implementation of strategic CIL spending priorities agreed by Cabinet ➢ Allocation and use of CIL funds - Review of arrangements to ensure that: o Allocation of CIL funds is in line with strategic infrastructure plans, supported by clear guidance and procedures and compliant with statutory requirements and the Local Plan. o Accounting and record-keeping systems with appropriate audit trails are in place to accurately capture CIL expenditure. o Detailed records are maintained of CIL-funded projects and regular compliance checks undertaken to ensure funding conditions are met. o Regular monitoring and reporting mechanisms are in place to track allocation and expenditure of CIL funds ➢ Expenditure deadlines - Review of arrangements for tracking and monitoring CIL funds to ensure that they are spent within prescribed deadlines. ➢ Project selection and prioritisation - Review of project selection and prioritisation arrangements to ensure: o CIL funds are directed towards the most beneficial infrastructure projects. o Appropriate stakeholder engagement and transparency in the allocation and use of CIL funds. ➢ Section 106 arrangements - Follow up of recommendations from the 2024/2025 audit.	Reasonable	0	5	7
	2026/27 Audit Plan					
29	Commercial Operations	**Flood and Coastal Erosion Risk Management** ➢ Flood and Coastal Erosion - High level review of how flooding, surface water flooding and coastal erosion governance, risks and controls are operating.	Reasonable	0	0	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Cliff Management - Review how cliff management risks are managed and monitored and how these risks and mitigating actions are reported to senior management, considering: o Use of National Coastal Erosion Risk Mapping (NCERM) maintained by the Environment Agency. o Strategic Coastal Monitoring (e.g., Channel Coastal Observatory). o Regular Council Led Cliff Surveys. o Integration with Updated National Flood & Coastal Risk Assessments, maintained by the Environment Agency. o Development of a Cliff Management strategy				
Total Recommendations				**7**	**89**	**49**

Key:

Recommendation Priority	
High	actual / potential critical implications for achievement of the Service's objectives and/or a major effect on service delivery.
Medium	actual / potential significant implications for achievement of the Service's objectives and/or a significant effect on service delivery.
Low	actual / potential minor implications for achievement of the Service's objectives and/or a minor effect on service delivery.

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

Partial Assurance Audit Opinions

5. There were four 'Partial' assurance audit report issued during the period as follows:

5.1 **Finance, Estates & Benefits – Asset Management (Estates)** – one high, five medium and three low priority recommendations were made to address the following issues – these include recommendations previously made:

High Priority	
Corporate Governance	The Council's Asset Register (held on Civica TechForge) is incomplete and is not reconciled to the Council's financial records (held on Dynamics)
Medium Priority	
Corporate Governance	Corporate Property Groups are not provided with management information from Civica TechForge – previous recommendation
Asset Valuation	Assets on Civica TechForge are missing valuations or have out of date valuations – previous recommendation
Asset Leasing	Reviews of lease rent reviews, break periods and endings are not carried out in a timely manner – previous recommendation
Asset Acquisition & Disposal	There are no Council-wide asset acquisition or disposal policies – previous recommendation
Strategic Asset Management Plan	The Property & Asset Action Plan set Management Plan does not have any SMART targets or formal reporting processes – new recommendation
Low Priority	
Corporate Governance	The terms of reference of the corporate property groups have not been reviewed – previous recommendation
Resilience	Activities within the estates team have not been taking places due to staff absence, potentially indicating a single point of failure – new recommendation
Rent Reviews	Civica TechForge is not being updated in a timely manner with the results of rent reviews – new recommendation

Note – in addition to the issues highlighted on the table above, the audit noted that asset condition surveys for corporate assets are not currently being undertaken. This issue will be included as part of the 2026/27 Facilities Management Internal Audit and has been raised as a significant governance issue on the 2025/26 Annual Governance Statement, due to its potential impacts including on health & safety.

5.2 **Finance, Estates & Benefits – Health & Safety** – one high and three medium priority recommendations were made to address the following issues:

High Priority	
Health and Safety Corporate Team – Proactive Inspections & Planning	There is no effective, risk assessed Inspection Plan which covers delivery of planned reviews (which are independent of routine service and statutory reviews). In addition, proactive inspections are not currently being carried out.
Medium Priority	
Internal Inspection Recommendations	There is no formal or consistent process to follow up, track or document the implementation of recommendations from an inspection.
Key Performance Indicators	There are currently no key performance indicators in place.
Incomplete Health & Safety Board Risk Register	Target dates for actions are not always provided.

5.3 **Customer & Property – Asset Management (Facilities Management) – BCP Leisure Centre Health & Safety Compliance** – three high, seven medium and two low priority recommendations were made to address the following issues:

High Priority	
Electrical – Out of date Electrical Installation Condition Report (EICR)	The EICR for Two Riversmeet Leisure Centre was scheduled for completion in March 2026; however, at the time of the audit it had not been carried out. The previous inspection in 2021 identified areas requiring action, Internal Audit have not been provided with assurance that corrective action has been taken.
Water – Water Tank Inspections	Water tanks at Dolphin and Rossmore Leisure Centres have not been subject to annual inspection in accordance with the 2025/26 inspection schedule and documented risk assessment for each leisure centre.
Compliance Reporting	There is no established formal oversight of inspection compliance.
Medium Priority	
Electrical- Inspection frequency	Inspection frequencies, which are currently completed every 5 years, are not currently aligned to the Institution of Engineering and Technology (IET) BS 7671 Guidance Note 3 which require a minimum of three yearly inspections and yearly inspections for swimming pool installations.
Water – Shower head inspections/cleaning	Shower head inspections/cleaning are not consistently completed at required three-monthly intervals, resulting in compliance gaps across all five leisure centres.

Water – Temperature control monitoring	At Rossmore, Dolphin, and Ashdown leisure centres (brought in-house in 2024), water temperatures are recorded manually by staff, but no evidence of these checks is provided to Facilities Management for oversight or central record-keeping.
Water – Contractor Inspection Records	Contractor inspection and maintenance records contain inconsistent or incomplete information.
Lack of Safety Management Plans	There are no safety management plans in place for corporate assets (as there is for BCP Homes) covering the following areas: Water (including written scheme of control); Electrical; Gas; Asbestos; Lifts.
Electrical – Electrical Installation Condition Report (EICR)	EICR's have not been able to be carried out in 2026/27 (financial year) due to delays in the appointment of a suitable contractor.
Gas – Insurance (Public Liability)	One contractor's schedule only allowed for £5m for public liability when the Council's requirement was £10m.
Low Priority	
Water – Legionella Risk Assessment	Ashdown Leisure Centre is operating without a Legionella Risk Assessment (LRA) in place as required by statutory Health & Safety requirements (COSHH, HSWA & Approved Code of Practice L8).
Asbestos – Inspection Notification	Notification of inspection requirements currently only goes to one officer.

5.4 **Adult Social Care – Better Care Fund** – two high, three medium and one low priority recommendations were made to address the following issues effecting BCP Council. Please note that other recommendations were made in relation other participants in the audit.

High Significance	
Unsigned S75 agreements	BCP Council has two Better Care Fund (BCF) Section 75 Agreements for 2025/26 (primary agreement and a separate agreement for the Integrated Community Equipment Service (ICES)). While both agreements have been formally approved and signed by the Council, they remain unsigned by the Integrated Care Board (ICB).
Use of Disabled Facilities Grant (DFG) Funding	BCP Council funds part of the ICES using the DFG. While the scheme has received the necessary approvals, this approach presents potential non-compliance with DFG requirements. DFG is intended to fund adaptations, typically involving fixed or permanent modifications to a property. However, ICES primarily provides portable and reusable equipment, which is not fixed to a property and may be reissued between users.
Medium Priority	
Lack of defined and documented collaborative working arrangements	Roles and responsibilities for Better Care Fund (BCF) planning, narrative development, financial reporting, and performance monitoring are not formally defined or consistently understood across Dorset Council, BCP Council, and the ICB. This has resulted in uneven workload distribution, where Dorset Council undertakes the

	majority of activity, and limited visibility of ICB commissioned services.
Monitoring of BCF schemes	BCP Council's financial monitoring of the Better Care Fund (BCF) is currently undertaken through existing budget management arrangements at cost centre and account code level, rather than on a discrete scheme-by-scheme basis. As a result, BCF-related expenditure is not always easily identifiable as distinct BCF spend.
Risk Management	There is no formalised risk management framework within BCP Council's Better Care Fund to enable senior management and the Health and Wellbeing Board to effectively identify, assess, and monitor overarching and scheme-level risks.
Low Priority	
Scheme-level performance monitoring	There are 'business as usual' monitoring processes in place covering over-arching Council service delivery however this is not split into individual BCF scheme KPIs as required by the BCF quarterly reporting template during 2024-25.

6. There were no 'Minimal' assurance audit reports issued during the quarter.
7. There were no "Risks Accepted" formally accepted during the quarter.
8. The status of **audits in progress** at the end of the quarter are outlined below:

	Service Area	Audit	Progress
2026/27 Internal Audit Plan			
1	Adult Social Care	Sight & Hearing Team	Fieldwork
2	Children's Directorate Wide	Information Governance (Service KAF)	Fieldwork
3	Customer & Property	Information Governance (Service KAF)	Fieldwork
4	Finance, Estates and Benefits	Debt Collection Write Off (Counter Fraud)	Fieldwork
5	Finance, Estates and Benefits	Organisational Debt Review	Fieldwork
6	Housing & Public Protection	CCTV	Fieldwork
7	IT & Programmes	Privileged Access Management	Fieldwork
8	IT & Programmes	Disaster Recovery	Fieldwork
9	People & Culture	Employee Declaration of Interests (Counter Fraud)	Fieldwork
10	Planning & Transport	Procurement (Service KAF)	Fieldwork
11	Quality, Improvement, Governance & Commissioning	Data Quality	Fieldwork
12	Adult Social Care	Adults System Payments (KFS)	Scoping
13	Children's Directorate Wide	Children's System Payments (KFS)	Scoping

14	Children's Social Care	Social Work Recruitment & Retention	Scoping
15	Finance, Estates and Benefits	Corporate Financial Management (KFS)	Scoping
16	IT & Programmes	Artificial Intelligence	Scoping
17	IT & Programmes	Service Desk	Scoping

9. The 2025/26 and 2026/27 Audit Plans were kept under review to ensure that any changes to risks, including emerging high risks, were considered along with available resource. The table below shows the changes which have been made to the Audit Plan during quarter 4. This also includes those audits which had not yet been agreed when the proposed 2026/27 Audit Plan was brought to Audit & Governance Committee in March.

Table showing amendments to the 2025/26 and 2026/27 Internal Audit Plan

Service Area	Audit	Added / Removed (Days)	Internal Audit Risk Score	Rationale
2025/26 Plan (March)				
There were no adjustments to the IA Plan during March 2026				
2026/27 Plan (Quarter 1)				
Proposed Audits included on the 2026/27 (those not included in the March A&G Report) – *these have been determined following the IA risk assessment and discussion with service management*				
Adult Social Care	Sight & Hearing Team	20	High	Scope to include a review of sight and hearing processes ensuring compliance with legislative requirements.
Adult Social Care	Supported Living & Placements	20	High	Scope to include a review of the Supported Living Service to ensure that processes comply with statutory requirements.
Adult Social Care	Autism Team	20	High	Scope to include a review of the Autism Team to ensure that processes comply with statutory requirements.
Commissioning	Tricuro	20	High	Scope to include a review of Tricuro arrangements to ensure risk, governance and controls operating effectively.
Children's Social Care	Unregistered Placements	20	High	Scope to include a review to ensure Children's Services consistently comply with approved policy and operational processes when placing and managing children in unregistered (and unregulated) provision, including authorisation, documentation, oversight and review requirements.
Education & Skills	Education Effectiveness	20	High	Scope to include a review of processes in improving pupil attendance and reintegration.
Housing & Public Protection	BCP Homes – Housing Complaints	15	High	Scope to include a review to ensure complaints are handled in line with the Housing Ombudsman Complaint Handling Code.

Adjustments to 2026/27 Plan				
Education & Skills	Wraparound Childcare	Removed (-20)	High	Following discussions with the Service it was considered that Virtual School presented a higher risk. Wraparound Childcare will be considered in future quarters/years.
Education & Skills	Virtual School	Added (+20)	High	
Housing & Public Protection	Disabled Facilities Grant	Removed (-10)	High	DFG was included as part of the Better Care Fund audit (see above) so separate audit is no longer required.
Customer & Property Operations	Awabbs Law* * requires social housing landlords to investigate & fix serious health hazards within legal timeframe	Removed (-15)	High	This was removed as the service is carrying out a compliance review (the results of which will be shared with Internal Audit). The days from this audit have been transferred to the BBML and Seascape audit.
Customer & Property Operations	BBML ***and Seascape***	Increased (+15)	High	The scope of the original audit was the governance & procurement arrangements for Bournemouth Building & Maintenance Ltd but this has been widened to include Seascape (using the days from Awabbs Law audit).
People & Culture	Pensions & Estimates	Removed (-10)	High	Pension estimates are no longer provided by BCP Council and therefore audit removed from the plan.
People & Culture	Employee Relations	Removed (-15)	High	Significant changes are currently being undertaken to the Grievance Procedure to incorporate new requirements from the Employment Act. The audit has been deferred until 2027/28 to enable testing of the new policy arrangements.
Counter Fraud	Moveable Assets (Commercial Operations)	Removed (-15)	Medium	This has been deferred until 2027/28 due to the decrease in resource caused by the current vacancy. It was selected as it was a medium risk and a second Moveable Assets audit, in Environment, remains on the plan for this year.
Net changes		-50	***Note*** *– due to other minor changes on the plan, such as minor increase to the days on other audits, the overall net position is currently -40.*	

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

11. The audits provisionally planned for Quarter 2 are shown in the table below:

2026/27 Audits Planned for Quarter 2 – Provisional - unless otherwise stated, all audits are 'assurance'

	Service Area	**Audit**	**IA Risk Score**	**Provisional Scope – to be agreed with Management**
1	Education & Skills	Education Effectiveness	High	Review of processes in improving pupil attendance and reintegration.
2	People & Culture	Payroll (KFS)	High	Key Financial System review, provide assurance that key controls over Payroll (Starters, leavers, amendments, deductions) are operating

				effectively.
3	Finance, Estates and Benefits	Treasury Management (KFS)	High	Key Financial System review of the Councils investment and borrowing strategy are in line with best practice and agreed policy.
4	Housing & Public Protection	Voids & Lettings	High	Review to ensure properties are not left vacant for long periods of times resulting in delays to tenants being housed.
5	Commercial Operations	Health and Safety (Service KAF)	High	Review compliance with corporate H&S policies and procedures.
6	Environment	Highway Delivery	High	Review of the effectiveness of the governance and inspection arrangements in place.
7	Adults Commissioning	Tricuro	High	Provide assurance that risk, governance and controls operating effectively in Commissioning.
8	Investment & Development	Contract Management of Projects and Programmes (Service KAF)	High	Review of project & programme management arrangements, to include a sample of specific projects.
9	Planning & Transport	Management of Transport Capital Investment Projects (Service KAF)	High	Review of project & programme management arrangements, focusing on planning & approval of capital projects. Including costing/viability & application for funding. Including a sample of specific projects.
10	Finance, Estates and Benefits	Non-Domestic Rates (Business Rates) (Counter Fraud)	Medium	Review of controls to manage Business Rates Fraud Risks that "Incorrect declaration of circumstance leading to incorrect rates changes"
11	Finance, Estates and Benefits	Non-Domestic Rates (KFS)	High	Key Financial System review over management of Business Rates including review of discounts, exemptions, valuations and additions.
12	Finance, Estates and Benefits	Council Tax (KFS)	High	Key Financial System review of Council Tax collection, including review of discounts, exemptions, valuations and additions.
13	Finance, Estates and Benefits	Housing Benefit & Council Tax Reduction Scheme (KFS)	High	Key Financial System review over HB & CTRS including review of assessments and changes in circumstances.
14	Law & Governance	Information Governance (Core KAF)	High	Annual Key Assurance review on core provision of information governance compliance across the organisation.
15	Law & Governance	Information Governance (Service KAF)	High	Review compliance with GDPR and corporate policies and procedures
16	Finance, Estates and Benefits	Risk Management (KAF)	High	Review of the corporate Risk Management service, including how risks are identified, managed and assessed. Along with support provided to the

				wider organisation on risk management.

Significant Issues Arising and Other Work

12. An information finding exercise on debt held by the Council was undertaken as part of the 2025/26 audit plan. This was in preparation for the Organisational Debt Review, which was undertaken as part of the 2026/27 in Quarter 1.

13. Five Early Education Fund (EEF) audit final reports were issued during the Quarter. 32 reviews are planned for 2026/27 in total. No significant issues were identified.

14. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Standards.

Implementation of Internal Audit Recommendations

15. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first or subsequently agreed target date will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.

16. At the end of June, there were eight high priority recommendations across five audits which have exceeded their original target date. Seven of these have all previously been reported to Audit & Governance Committee, and the reported revised target date has also been exceeded.

17. All other High Priority recommendations followed up during the period were found to have been satisfactorily implemented by management.

18. The Audit Charter also requires any Medium Priority recommendations where the original target date has been exceeded (or will exceed) by a year to be reported to Audit & Governance Committee. *(note – as agreed as part of the update to the Audit Charter in March, this has been reduced from 18 months to a year to enhance the reporting and escalating of outstanding recommendations to this Committee).*

19. As at the end of June, there were three medium priority recommendations which had been outstanding for over a year, one of which dates back to 2024 and has previous been reported to this Committee.

20. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required; explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.

Options Appraisal

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

Summary of financial implications

22. The BCP Council Internal Audit Team revised budgeted cost for 2026/27 is £827,100; this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.

23. At this stage of the financial year, based on assumptions for the remainder of the year, it is projected that spend will be within budget.

Summary of legal implications

24. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

25. The Internal Audit Team structure currently consists of 13.5 FTE. Following the departure of one of the Audit Managers, an internal candidate was appointed following an external recruitment process. This leaves a vacancy at the Auditor level in the team for which recruitment of an Audit Apprentice is underway. To address the resultant shortfall in resource for the year, temporary increase in hours for officers working part time has been approved.

26. In the annual report, the Chief Internal Auditor must provide an opinion on whether the resources are sufficient to provide Audit & Governance Committee and the Council's senior management with the assurances required. The Chief Internal Auditor is keeping this under active review to ensure sufficient coverage. This will include consideration of assurances provided by external bodies, such as CQC, Housing Inspectorate and Ofsted, as well as the breadth and depth of internal audit coverage provided. If necessary, the CIA will seek to appoint temporary resource to ensure that the Council is provided with an audit opinion, however, this is not considered necessary at this point given the measures put in place above.

27. A specialist IT audit contractor will be engaged to deliver the Network Security audit.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix 1 –High Priority recommendations – original / revised target date exceeded; and Medium Priority recommendations outstanding for a year beyond the original target date where not previously reported

Appendix 1 - High Priority recommendations where the original/revised target date for implementation was not met

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
HIGH PRIORITY RECOMMENDATIONS				
Children's Services – Health & Safety & Fire Safety (2024/25) – partial assurance One of the four high priority recommendations has been implemented; the three outstanding recommendations are shown below:				
A complete and accurate record of all buildings and sites under the responsibility of Children's Services should be in place, regularly updated and agreed between with the Corporate Fire Safety Team, Children's Service and the Asset Management Team.	30/6/25, 31/8/25; 31/12/25; 28/2/26; 31/3/26	The reconciliation of building records has been completed, and the service is implementing arrangements to ensure records are maintained and updated on a regular basis. The majority of buildings have been confirmed as being under the responsibility of their respective tenants or have trained LFSCs formally assigned to the buildings. However, there are three buildings which remain without an allocated LFSC that will be progressed as a priority. Evidence of fire checks have been sent to audit for the nine buildings that have been assigned a trained LFSC. This issue has been escalated to the Corporate Health, Safety and Fire Board by the Chair of the Children's HS&FB. LFSCs role requires review in order to encourage staff to take up the duties. A paper is being presented by Children's Services and the Fire Safety Officer.	31/10/26	Yes
All fire safety checks at Children's Services buildings must be completed according to their required schedule. Furthermore, ensure that there is adequate cover to undertake fire safety checks when a Fire Warden is unavailable.	31/5/25, 31/8/25; 31/12/25; 28/2/26; 31/3/26		31/10/26	Yes
All Children's Services buildings should have an assigned LFSC. This should be communicated to the Corporate Fire Safety Team. In addition, LFSCs should be up to date with the relevant fire safety training and this should be appropriately recorded.	30/9/25; 31/12/25; 28/2/26; 31/3/26		31/10/26	Yes
Asset Management (Estate Management) (2024/25) – partial assurance				
A reconciliation between financial records, Civica TechForge and paper records must be carried out at least annually to ensure that all assets are identified and recorded. The Corporate Property Officer should formally document the inefficiencies currently associated with Asset Management in a report to Cabinet and any other appropriate boards and panels	31/7/25; 31/3/26; 30/6/26	The original target date for this recommendation was 2030 for the asset reconciliation and July 2025 for the reporting to Cabinet on the risks and inefficiencies associated with this approach. Progress is confirmed to be ongoing with the reconciliation of the assets, however no evidence could be found that the	31/10/26 (2030 for full implemen	Yes

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
to ensure that there is widespread understanding within the organisation of these risks and inefficiencies.		risks and inefficiencies have been documented and reported to CMB or any other decision making body, suggesting that any decisions around additional resources has been informal. Whilst a service growth proposal had been prepared by the Strategic Asset Manager, it was confirmed that this has not been presented to a suitable board. The new interim CFO is considering options in how to unlock this piece of work as timely as possible	tation)	
Schools Finance (2024/25/26) – partial assurance				
Deficit recovery plans must be put in place for any maintained school in a reserve balance deficit as required by the DfE. Additionally, given the number of schools either in or nearing a reserve balance deficit position, consideration should be given to developing a strategic approach to identify potential cost-savings and efficiencies that could apply to multiple maintained schools.	31/1/26; 31/5/26	The Schools Finance Team are working with two schools to help them complete their Deficit Recovery Plans. These are still work in progress; there are regular meetings arranged to monitor these.	30/9/26	Yes
The current reserve deficit balances at Linwood should be considered (after implementation of the banding review) in any agreed deficit recovery plan. In addition, the implementation date of the Special School Banding Review should be confirmed with Schools Forum if this date is after September 2025.	31/3/26	Significant work is underway by Education and Finance colleagues, in collaboration with Linwood School, to develop a robust Deficit Recovery Plan. Further work is still required, with completion anticipated at the end of September 2026.	30/9/26	No
Linwood School (2023/24) – partial assurance				
That an action plan is developed in liaison with BCP Children's Services and School's Finance to establish an agreed recovery strategy for the deficit. That the cause of the deficit is investigated and agreed to ensure	30/9/24; 30/4/26	Significant work is underway by Education and Finance colleagues, in collaboration with Linwood School, to develop a robust Deficit Recovery Plan. Further work is still required, with completion anticipated at the end of September 2026.	30/9/26	Yes

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
the risk of additional future deficits of this kind is limited.				
Deprivation of Liberties Safeguards (2025/26) – partial assurance Of the two high and two medium priority recommendations made, one high and one medium priority recommendation remain outstanding				
That a risk assessment of the DoLS waiting list is undertaken and presented to the ASC Overview and Scrutiny Panel, including the national context, legal exposure, safeguarding risks to individuals and the activities currently being undertaken in response.	31/12/25; 31/3/26	This was due to be completed via a presentation to the April meeting of the Performance & Quality Executive Board, however, this was postponed due to the elections and is now due to take place in July.	31/7/26	Yes
MEDIUM PRIORITY – outstanding a year beyond the original target date (not previously reported / revised date exceeded)				
Developer Contributions (2023/24)				
Approval and implementation of revised Planning Scheme of Delegation should be expedited.	31/3/2024 31/12/2024 31/06/2025 31/03/2026	Structural changes in the service and other priorities have delayed this action. The Scheme is currently in draft and is being considered for final approval.	30/9/26	Yes
Homecare and Residential Payments (ASC) (2024/25)				
That overarching flow charts and/or Terms of Reference setting out the roles and responsibilities of all teams involved in RC and HC processes are established. That a resilience review of both HC and RC processes is undertaken to ensure that there are no single points of failure for different aspects of Mosaic functionality (i.e. setting up suppliers, adding packages, processing payment information to other systems etc).	31/1/25; 30/4/26	The Provider Portal project, which will address the recommendation, has been deferred due to a Mosaic freeze. An interim process is being considered to implement the recommendation. Internal Audit will also review this process as part of the Mosaic Payments Audit Review in Q2 2026 to establish interim arrangements are effective.	31/12/26	No
Partnerships (2023/24)				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
The responsible service director brings forward a paper to CMB: • initially to consider whether all existing partnerships are still required and fit for purpose to deliver corporate priorities efficiently and effectively, and thereafter to: • provide assurance (such as via a best practice checklist*) over the governance arrangements in place for key partnerships • agree and co-ordinate produce of relevant performance information to facilitate corporate oversight * similar to the recent exercise for companies	31/3/25	The majority of this recommendation has been implemented. The Head of Policy, Strategy and Partnerships is continuing to work with senior management to confirm whether all existing partnerships remain necessary and fit for purpose. An update on partnerships is due to be provided to the Corporate Strategy Board by October 2026. This will be an ongoing task with the register being reviewed annually by corporate management board (or the most appropriate senior forum).	30/11/26	No

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2025/26**
Meeting date	30 July 2026
Status	Public Report
Executive summary	An annual review of the Council's Declaration of Interests, Gifts and Hospitality Policy (for officers) was undertaken in February 2026, and the revised Policy was approved by the Audit & Governance Committee on 26 February 2026. The key changes introduced were: • Strengthened requirements for declaring other employment, including additional guidance, a formal definition, updates to forms, the flowchart and FAQs. • Clarified line manager responsibilities for assessing declarations and documenting decisions. Added requirement to submit completed forms to Service Directors. • Enhanced Service Director oversight, including review of declarations, validation of line manager decisions, communication of outcomes and completion of a dedicated review section. During 2025/26, awareness of the Declaration of Interests, Gifts and Hospitality Policy was promoted through corporate and targeted communications, induction and mandatory training for new employees, and bespoke training sessions delivered across Council services by the Head of Audit & Management Assurance. The Head of Audit & Management Assurance considers the Declaration of Interests, Gifts and Hospitality Policy to be fit for purpose, with generally good levels of awareness and compliance across the workforce. This assessment reflects the fact that only a small number of reminders were required by Internal Audit to obtain declarations from newly appointed senior officers.
Recommendations	**It is RECOMMENDED that:** **1. Audit & Governance Committee note the annual review of Declarations of Interests, Gifts & Hospitality by Officers (2025/26).** **2. Note the opinion of the Head of Audit & Management Assurance that the Policy is fit for purpose and that there was a good level of awareness and compliance in 2025/26.**

Reason for recommendations	To provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ✉ nigel.stannard@bcpcouncil.gov.uk ☎01202 128784
Wards	Council-wide
Classification	For Information

Background

1. A new BCP Council Declaration of Interests, Gifts and Hospitality Policy (for officers) was introduced on 1 April 2020 and has thereafter been subject to annual evolutionary changes. Officers are responsible for maintaining their declarations in as near to real-time as is practical.

2. The purpose of the Policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made in the interests of BCP Council and the community it serves and are not influenced inappropriately by the interests of individual employees, their relatives or friends.

3. The Policy is a key building block where the Council and employees can demonstrably show awareness and compliance with the Nolan Principles, the seven principles of public life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

4. This report aims to provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers.

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

5. An annual review of the Council's Declaration of Interests, Gifts and Hospitality Policy was undertaken in February 2026, and the revised Policy was approved by the Audit & Governance Committee on 26 February 2026

6. Some changes were made to the policy as part of the annual evolution as summarised below:

    - Other Employment (additional guidance to ensure declarations always made)
        - Added 'other employment' as specific need to declare item.
        - Added extra guidance in relation to other employment.
        - Other employment definition added to Appendix A.
        - Added extra step in relation to 'other employment' to Declarations of Interest Flowchart Appendix B.
        - Added 'other employment' reference in Part B (approving manager section) in Forms 1 and 2.
        - Added 'other employment' as additional FAQ under Appendix E.

- Line Manager Responsibilities
    - Defined the responsibilities of Line Managers in assessing declarations made by employees and deciding if the risk to the Council and the employee is acceptable (or not) and documenting the outcome.
    - Added requirement to pass all completed Form 1's to their Service Director.
- Service Director Responsibilities
    - Added requirement to receive all declarations made and determine if decisions taken by line managers are appropriate and document the outcome.
    - Added requirement to notify employee of decision and ensure they receive a copy of the completed form.
    - Added Service Director's review section in Form 1.
- General
    - Added further guidance on declaration form process.

7. A corporate communication on the updated Declaration of Interests, Gifts and Hospitality Policy along with other Finance Policies was issued to all staff, including a separate message to senior managers in April 2026.

8. A further targeted communication was issued to Service Directors in June 2026, reminding them of their new responsibility to review all declarations submitted, determine whether decisions made by line managers were appropriate, and record the outcome on the declaration form.

9. Policy awareness for new employees is ensured through the formal induction process and the completion of mandatory training (in particular the Fraud Awareness module).

10. The Head of Audit & Management Assurance has continued to deliver bespoke training and question and answer sessions on the Policy across Council services during 2025/26.

Internal Audit work on Declaration of Interests, Gifts and Hospitality

11. Internal Audit undertook an annual exercise to confirm that all Tier 4 and above officers had completed and submitted a Form 2, as required by the Declaration of Interests, Gifts and Hospitality Policy. Following a small number of reminders, it was confirmed that 100% of senior officers had completed and returned their forms to the Monitoring Officer in accordance with the Policy. As in previous years, those requiring reminders were predominantly officers who were either new to the organisation or newly appointed to a senior officer role (Tier 4 and above).

12. A review of compliance with the Declarations of Interests, Gifts and Hospitality Policy by officers below Tier 4 is included in the 2026/27 Internal Audit Plan. The findings will be reported to the Committee as part of the next annual update in July 2027.

13. Internal Audit reviews data-matching results provided through the National Fraud Initiative(NFI)*, which identify matches between BCP Council payroll records and other NFI participant's payroll records, Companies House directorships and, where applicable, payments made to those companies. This review is undertaken on a biennial basis, with the next set of data-matching results scheduled for release in January 2027. The outcome of this review will be reported to the Committee as part of the next annual update in July 2027.
    **Councils must participate in the NFI.*

Declaration of Interests, Gifts and Hospitality Policy Enforcement and Sanctions

14. Employees must comply with the requirements of the Policy and any failure to do so is a disciplinary matter. Disciplinary action may be taken regardless of whether the actions amount to a criminal offence.

15. There were no identified internal or external incidents, whistleblowing disclosures, or reports received through any other channels indicating that undeclared interests, gifts, or hospitality resulted in disciplinary action during 2025/26.

Overall Opinion for 2025/26

16. The Head of Audit & Management Assurance considers the Declarations of Interests, Gifts and Hospitality Policy to be fit for purpose, with generally good levels of awareness and compliance across the workforce. This assessment reflects the fact that only a small number of reminders were required by Internal Audit to obtain declarations from newly appointed senior officers.

Options Appraisal

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

Summary of Financial Implications

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

Summary of Legal Implications

19. The Bribery Act 2010 makes it an offence for an employee to give advantage to someone in return for favours in relation to the Council's business.

20. Section 117 of the Local Government Act 1972 requires that employees notify the authority in writing of any direct or indirect financial interests which they have in any Council contracts, or proposed contracts, of which they become aware. Breach of Section 117 is a criminal offence subject to a fine.

Summary of Human Resource Implications

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

Summary of Environmental Impact

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

Summary of Public Health Implications

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

Summary of Equality Implications

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

Summary of Risk Assessment

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

Background Papers

None

Appendices

None

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2025/26**
Meeting date	30 July 2026
Status	Public Report
Executive summary	Following an annual review, the Council's Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy was updated with a minor change to include links to associated BCP Council strategies and policies. BCP Council did not make use of powers under RIPA or IPA during the 2025/26 financial year. The BCP Council statutory return for the 2025 calendar year has been submitted to the Investigatory Powers Commissioner's Office (IPCO). The next three-yearly IPCO inspection is due in 2027. The annual review has confirmed that the appropriate governance and oversight and authorisation arrangements remain in place to ensure any future use of investigatory powers would be lawful, necessary and proportionate.
Recommendations	**It is RECOMMENDED that:** **Audit & Governance Committee note the contents of the report, including that the Council did not make use of powers under the Regulation of Investigatory Powers Act 2000 or the Investigatory Powers Act 2016 during the 2025/26 financial year and that appropriate governance arrangements remain in place.**
Reason for recommendations	To ensure transparency in respect of the Council's use of its powers under the Regulation of Investigatory Powers Act and the Investigatory Powers Act.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance, Finance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk

	Robin Watson Monitoring Officer, Law & Governance ☎01202 128331 ✉ Robin.Watson@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. The Regulation of Investigatory Powers Act (RIPA) was enacted in 2000 to regulate the manner in which certain public bodies may conduct surveillance and access a person's electronic communications, and to ensure that relevant investigatory powers are used in accordance with human rights. The provisions of the Act include:
   - the interception of communications;
   - the acquisition of communications data (e.g. billing data);
   - intrusive surveillance (on residential premises/or in private vehicles);
   - covert surveillance in the course of specific operations;
   - the use of covert human intelligence sources (agents, informants, and undercover officers); and
   - access to encrypted data.

2. The Investigatory Powers Act 2016 (IPA) is the main legislation governing access to or acquisition of communications data. It does not fully replace all pre-existing RIPA requirements but does introduce some important and significant variations, particularly in relation to authorisation and regulatory oversight.

3. There are various codes of practice, updated periodically, which broadly cover the specific bullet points above. These help public authorities assess and understand whether, and in what circumstances, it is appropriate to use covert techniques. The codes also provide guidance on the procedures that must be followed in each case and identify, **as a matter of best practice, that elected members of an authority should review its use of RIPA and IPA at least once a year**. The purpose of this annual report is to set out the level and nature of BCP Council's use of covert surveillance under RIPA and acquisition of communications data under IPA.

BCP RIPA and IPA Policy Annual Evolution

4. An annual review of the Council's Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy took place in early 2026, and the revised policy was approved by the Audit & Governance Committee (on 26 February 2026).

5. A minor change was made to the policy as part of the annual evolution to include links to associated BCP Council strategies and policies.

6. The annual review also confirmed that the arrangements, oversight responsibilities and reporting processes remain appropriate and fit for purpose.

7. A corporate communication on the updated RIPA and IPA Policy, along with other Finance Policies was issued to all staff, including a separate communication to senior managers in April 2026.

Use of RIPA/IPA by the Council

8. The BCP Council RIPA and IPA Policy states that overall responsibility for the use of RIPA and IPA lies with the Senior Responsible Officer (SRO) who is the Director of Law & Governance (Monitoring Officer). The deputy SRO is the Chief Executive.

9. The Head of Public Protection, the Director of Housing & Public Protection, the Chief Executive and Corporate Directors are the Council's Authorising Officers in respect of both RIPA and IPA applications, which are then subject to judicial approval in the local Magistrates' Court. For internally authorised IPA applications, approval for the acquisition of communications data must be granted by the Office for Communications Data Authorisations (OCDA) which is arranged on behalf of the Council by the National Anti-Fraud Network (NAFN). The Head of Audit & Management Assurance is the RIPA Administrator and is responsible for maintaining a central register of authorisations applied for. These arrangements are maintained to ensure that appropriately trained senior officers are available should the Council need to consider the use of investigatory powers in exceptional circumstances.

10. The use of covert surveillance techniques can assist councils in delivering objectives in areas such as preventing or detecting crime, anti-social behaviour and licensing. In compliance with RIPA, the Council would only use these powers as a last resort where overt surveillance is not possible**.**

11. During the 2025/26 financial year, **the Council has not made use of powers under RIPA or IPA**. The Council's RIPA/IPA Authorising Officers have not approved the use of covert surveillance techniques or requests to access communications data in any cases.

12. Dorset Police may utilise the Council's CCTV system for covert surveillance where a court authorises a Directed Surveillance Authority. This sits within Dorset Police delegated powers and is authorised by an officer at Superintendent rank or above. Where the police intend to utilise Council owned CCTV for covert purposes, formal notification is given to the Head of Public Protection. Paper copies of this notification are securely held by the CCTV team. Dorset Police are legally responsible for the data and the rationale presented to court.

Investigatory Powers Commissioner's Office - Oversight

13. All entities able to use RIPA/IPA are required to complete a statutory return to the IPCO for the preceding calendar year. The Council completed and submitted the statutory return for the 2025 calendar year within the required timeframe in January 2026.

14. BCP Council is subject to a three-yearly inspection by the IPCO. The inspection is to assess compliance with the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016. The next inspection is due in 2027.

Conclusion

15. The annual review has confirmed that appropriate governance arrangements remain in place for the use of investigatory powers. No authorisations were granted under either the Regulation of Investigatory Powers Act 2000 or the Investigatory Powers Act 2016 during 2025/26. The Council has maintained its policy framework, Authorising Officer arrangements and statutory reporting requirements and remains prepared to exercise these powers lawfully and proportionately should operational circumstances require.

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

None

AUDIT AND GOVERNANCE COMMITTEE

<table>
<tr><td>Report subject</td><td>Annual Breaches of Financial Regulations and Procurement Decision Records Report 2025/26</td></tr>
<tr><td>Meeting date</td><td>30 July 2026</td></tr>
<tr><td>Status</td><td>Public Report</td></tr>
<tr><td>Executive summary</td><td>
This report sets out all breaches of Financial Regulations (the Regulations) and the four circumstances described in Part G, Paragraph 5 (para 5), recorded within Procurement Decision Records (PDRs), where circumstances exist where the expected and normal procurement related activity, requirement or expectation could not be followed for some good reason, during the 2025/26 financial year.

Circumstances described in Financial Regulations paragraph 5 are:
i. Standard competition requirements not followed as they would likely cause harm to health or property.
ii. A particular supplier is required because competition is absent for technical reasons
iii. Payments in advance for goods, services or works
iv. Spot-purchase (i.e. off-contract) when buying against a compliantly procured contract was an option.

An analysis of breaches and PDRs highlights the following:
<table>
<tr><td></td><td colspan="2">2025/26</td><td colspan="2">2024/25</td><td colspan="2">2023/24</td></tr>
<tr><td></td><td>Breaches</td><td>PDRs (para 5)</td><td>Breaches</td><td>PDRs (para 5)</td><td>Breaches</td><td>Waivers</td></tr>
<tr><td>Total (count)</td><td>19</td><td>133</td><td>12</td><td>28</td><td>7</td><td>35</td></tr>
<tr><td>Total (£)</td><td>£48.3m</td><td>£21.2m</td><td>£29.2m</td><td>£4.2m</td><td>£15.4m</td><td>£0.7m</td></tr>
</table>

Whilst no breaches of Financial Regulations is the preferable position, the relatively low number of breaches suggests a good level of understanding of the requirements among managers and officers across most service directorates, resulting in general compliance with the Regulations.

The breaches were primarily due to a lack of awareness of Financial Regulations, which is being addressed through targeted training and guidance, alongside reminders to managers of their responsibility to ensure staff are properly trained and managed.

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

	There were 382 PDRs approved during 2025/26 totalling approximately £231m and of these 133 were circumstances as described in Financial Regulations Part G Paragraph 5 which require reporting to this committee. An effective and transparent breaches and PDR governance process maximises the chances of the Council achieving value for money and complying with UK Procurement Legislation (Public Contract Regulations 2015 & Procurement Act 2023).
Recommendations	**It is RECOMMENDED that:** **The Audit & Governance Committee note the breaches of Financial Regulations and relevant Procurement Decisions Records that occurred during 2025/26.**
Reason for recommendations	To comply with Financial Regulations which requires that all breaches of Financial Regulations and relevant Procurement Decision Records are considered annually by the Audit & Governance Committee.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	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. Financial Regulations (the Regulations) set out the procedures and standards for financial management and control, and specifically:

   - the purpose of each section in the relevant Part of the Regulations (why it is important);
   - the standards and controls that must be observed (how the Regulations serve to facilitate the good governance and the proper administration of the Councils financial affairs);
   - the specific roles and responsibilities of Councillors, the Chief Executive, the Chief Financial Officer (CFO), the Monitoring Officer and other named Officers in relation to doing so (the accountability framework); and
   - detailed procedure notes and relevant financial thresholds where these apply (what must be done and in what way).

2. The Regulations require that all breaches of Financial Regulations are reported to the CFO or their delegated representative along with details of any management action to address the issues arising. A combination of the Internal Audit and Procurement & Contract Management (PCM) Teams maintained a record of all breaches to enable full, transparent and accurate reporting to Audit & Governance Committee (and the Procurement and Contracts Board).

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

Breaches of Financial Regulations

4. During the 2025/26 financial year nineteen breaches of Financial Regulations have been identified, totalling £48,264,240 (compared to twelve breaches, totalling £29,162,090 in 2024/25). Details of the nineteen breaches, listed in highest to lowest order of contract value, are outlined below.

   - 1, Investment and Development, Housing Delivery, £30,188,170 (br14)

     Procurement was involved with the pre-construction phase of residential construction of 110 homes and a PDR of £513,610 was approved. However, Procurement was not involved in the actual construction phase and there was no PDR approval for this phase. The final contract total value (including construction) was £30,701,780, therefore the breach value of £30,188,170 is the difference between the two.

     There was a lack of officer awareness of the need to complete a PDR as it was wrongly assumed that a PDR was not required as Cabinet and Council has approved the work.

     This breach was identified during the 2025/26 Housing Acquisitions Audit. Management agreed to review contractual arrangements for all significant cumulative spend with housing acquisition related suppliers to ensure PDRs are in place in accordance with Financial Regulations.

     Housing Delivery procedures have now been formally launched, including formal training for all Housing Delivery Team staff. Staff have been briefed by senior management, setting out actions to prevent the breach occurring in the future, and reminded of the need to comply and consult with the procurement team if unsure about any related issues. Within the new procedures, reference to Financial Regulation compliance has been highlighted with checklists and corresponding gateway forms to check compliance.

   - 2, Housing & Public Protection, Housing Operations, £15,725,710 (br17)

     BCP Council (& the preceding legacy Councils) have spot purchased B&B / Hotel accommodation to provide Emergency housing for those to whom a statutory duty is owed under Homeless Provisions legislation (Housing Act 1996).

As Emergency accommodation options are limited, very few Guest Houses & B&B providers in the market are willing to agree to ad hoc placement bookings at a reasonable nightly rate. Premier Inn and Travelodge are used as a last resort due to cost and availability and particularly when level or lift access is required for people who are disabled.

Further to an internal audit of Procurement & Contract Management within Housing & Protection Directorate, it was identified that no PDRs have ever been considered for this area of expenditure. The only credible explanation for this being one of this practice and requirement being carried over from legacy Councils, despite Financial Regulations (from 2022/23) requiring a PDR to this effect.

An agreed PDR for 15mths has addressed the immediate breach, and the following procurement improvement actions are planned:

- Implement a long-term procurement strategy for temporary and emergency accommodation, informed by a project to review temporary accommodation and general fund housing stock.
- Establish quarterly leadership oversight of procured contracts through a PDR log.
- Undertake a directorate-wide skills audit and develop a training plan to address procurement and contract management knowledge gaps.
- As part of budget monitoring and regular supplier spend analysis, ensure that necessary PDRs are in place.
- Introduce performance reporting to monitor the quality, value, and effectiveness of procurement and contract arrangements.
- Review major expenditure to ensure PDRs are in place for all applicable activities.

➢ <u>3, Investment and Development, Housing Delivery, £1,035,000 (br9)</u>

There was no PDR in place for the purchase of three turnkey properties for the Housing Acquisitions Programme.

There was a lack of officer awareness of the need to involve the Procurement team in all procurement processes.

This breach was also identified during the 2025/26 Housing Acquisitions Audit and action taken by management to address this breach is detailed in ref1 (br14) above.

➢ <u>4, Investment and Development, Housing Delivery, £500,000 (br12)</u>

Conveyancing work was procured after an existing legal services procurement framework had expired. This work was continued to be procured without a contract, new framework agreement or PDR in place for 2023/24 and 2024/25.

There was a lack of officer awareness of expiry of the legal services procurement framework.

This breach was also identified during the 2025/26 Housing Acquisitions Audit and action taken by management to address this breach is detailed in ref1 (br14) above.

- 5, Customer & Property Operations, Russel Coates Museum, £200,315 (br4)

  A funding bid was submitted through a partnership with a charity without obtaining prior CFO approval for the external funding.

  Russel Coates Museum will receive £100,315 directly over 5 years and a further £100,000 which will be used for joint activities with partners.

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

  The Service Manager has been reminded of requirement to seek CFO sign off on external funding bids, even where they are being submitted under partnership arrangements.

- 6, Investment & Development, Housing Delivery, £93,214.62 (br1)

  A supplier for architectural and principle designer services for the regeneration and redevelopment of the former Poole College site was continued to be used after the original contract expired.

  There was a lack of continued communication between the client officer and procurement team which resulted in this breach.

  A new PDR has been approved to cover the additional services still required.

- 7, Environment, Coroners & Mortuary Service, £91,190 (br15)

  Coroner Services were procured without the involvement of the Procurement team, creating a PDR and without being recorded on the contracts register for the following hospitals:
  - University Hospital Southampton
  - Great Ormond Street Hospital
  - Dorset County Hospital NHS Foundation Trust

  There was a lack of officer awareness of the need to complete a PDR.

  The service has requested advice from the Procurement team on the future completion of necessary PDRs.

- 8, Commercial Operations, Seafront Operations, £83,525.32 (br2)

  Walkie-talkies and other seafront related equipment was hired by the Seafront Team without involving the Procurement team/ completing a PDR or obtaining quotes from 2021 through to 2026.

  There was a lack of officer awareness of the need to complete a PDR.

  Management engaged with the Procurement team and completed a retrospective PDR covering the expenditure for April 2025 - March 2026.

- 9, Environment, Green Spaces and Countryside, £67,729.27 (br5)

A PDR was in place for environmental improvement works, however the value of the contract increased and no further PDR was created in advance of completing the works.

There was a lack of officer awareness of the need to complete a PDR for extending the contract value.

A retrospective PDR has been created to state the price increase of the contract and officer is now aware to always include the full available amount within the original PDR.

- 10, Investment and Development, Housing Delivery, £56,000 (br10)

  Valuations for property purchases were being carried out by a supplier on behalf of BCP Council without a contract or PDR in place.

  There was a lack of officer awareness of the need to Involve the Procurement team in all procurement processes where the whole life contract value is over £30,000.

  This breach was also identified during the 2025/26 Housing Acquisitions Audit and action taken by management to address this breach is detailed in ref1 (br14) above.

- 11, Customer & Property Operations, Facilities Management, £51,730.21 (br18)

  There was no PDR in place or requested involvement from the Procurement team regarding the additional works\ increased costs for beach hut balustrade replacement.

  There was a lack of officer awareness of the need to complete a PDR.

  Procurement engaged with the officer regarding the breach and provided guidance on how future awards should be conducted.

- 12, Investment and Development, Housing Delivery, £35,000 (br13)

  Asbestos surveys for property purchases were being carried out by a supplier on behalf of BCP Council without a contract or PDR in place for 2023/24 and 2024/25.

  There was a lack of officer awareness of the need to confirm corporate contract arrangements were in place with supplier.

  This breach was also identified during the 2025/26 Housing Acquisitions Audit and action taken by management to address this breach is detailed in ref1 (br14) above.

- 13, Investment and Development, Housing Delivery, £31,000 (br11)

  Valuations for property purchases were being carried out by a supplier on behalf of BCP Council without a contract or PDR in place for 2023/24 and 2024/25.

  There was a lack of officer awareness of need to Involve the Procurement team in all procurement processes where the whole life contract value is over £30,000.

  This breach was also identified during the 2025/26 Housing Acquisitions Audit and action taken by management to address this breach is detailed in ref1 (br14) above.

- 14, Investment and Development, Housing Delivery, £29,740 (br16)

  The Procurement team was not involved for the initial spend of £27,420 for land surveys but were later engaged when an additional £2,320 was required to complete the service.
  There was a lack of officer awareness of the need to complete a PDR.

  Action taken by management to address this breach is also covered in ref1 (br14) above.

- 15, Planning & Transport, Sustainable Transport (Operations Team), £26,740 (br6)

  In line with Financial Regulations separate prices were secured via an approved framework arrangement in advance of awarding the works for four surveys undertaken to monitor and evaluate traffic/bus journey time improvements at the Liverpool Victoria gyratory. However PDRs were not completed for each individual piece of work exceeding £5k.

  There was a lack of officer awareness of the need to complete a PDR. The officer has since left the Planning and Transport Service, their successor is fully aware of the need to complete PDRs.

  The principal impact of this breach was that the Council's specialist procurement advisers, the PCM Team, did not have the opportunity to review the proposal and provide advice before the contract was signed and the purchase order issued. PCM has subsequently confirmed that it would not have expected to challenge the proposed route to market had a Procurement Decision Request (PDR) been submitted at the time.

- 16, Commercial Operations, Seafront Operations, £25,000 (br7)

  Initial hire of matting and fencing was required as part of the emergency health and safety response following a cliff slip, however this was subsequently identified as being required long-term. No PDR was completed for the subsequent work.

  There was a lack of officer awareness of the need to complete a PDR.

  A retrospective PDR was created and a reminder to Managers and staff was issued to follow due process and Procurement regulations.

- 17, Commercial Operations, Seafront Operations, £9,250 (br3)

  Hire of a tractor for the Seafront Cleansing team was arranged by a Senior Ranger with a supplier without the completion of a PDR or engagement with the Procurement team and without the line managers knowledge.

  There was a lack of officer awareness of the need to complete a PDR.

  All staff have had training and awareness from the Procurement team and reminded about Procurement guidelines through refresher meetings.

- 18, Customer & Property Operations, Poole Museum, £8,268 (br8)

Additional accessibility consultancy services were purchased without a further PDR being put in place.

There was a lack of officer awareness of need to complete PDR for extending the contract value.

PDRs are now completed in liaison with the Procurement team which would have prevented this breach from occurring.

- 19, Customer & Property Operations, Poole Museum, £6,658 (br19)

Initial consultancy costs were estimated at £4,950. After a one-year delay and agreed additional work, the final invoice totalled £6,658 and no subsequent required PDR was completed.

There was a lack of officer awareness of the need to complete a PDR.

PDRs are now completed in liaison with the Procurement team which would have prevented this breach from occurring.

5. Whilst no breaches of Financial Regulations is the preferable position, the relatively low number of breaches again suggests a good level of understanding of the requirements among managers and officers across most service directorates, resulting in general compliance with the Regulations.

6. The nineteen breaches identified share a common theme: commissioning officers were not fully aware of the requirements set out in the Financial Regulations. Corrective actions have primarily focused on targeted or bespoke training, reinforcing expectations through team briefings, and issuing formal written guidance. In addition, line managers have been reminded of their responsibility to ensure officers are appropriately trained and supported to carry out commissioning activities in line with Council requirements, alongside maintaining effective performance management.

7. All nineteen breaches have been reported to the Procurement & Contracts Board who have considered the lack of commissioning officer awareness issue and to ensure that required training is provided.

8. During the year, the Procurement & Contract Management Team issued a communication to all colleagues, see Appendix 1 – Preventing Breaches Comms Example. This summarised the most common causes of accidental breaches and included key reminders to support compliance, particularly in relation to the procurement of personnel services and the importance of completing procurement decision records.

9. The Procurement & Contract Management Team developed a standard training resource titled ‘Training (General) - PDRs and avoiding breaches (ONB008)’. The training frames requirements for Procurement Decisions Records (PDRs) as fundamental records of procurement-related decisions, not necessarily records of competitive procurement. The training also describes how record keeping requirements are anchored in Procurement Act 2023 (PA23) - Section 98 – Record keeping: This is the core and explicit statutory duty requiring retention of procurement decision records. Contracting authorities must keep records sufficient to explain a “material decision” made for the purpose of awarding

a public contract, or entering into a public contract. Through the risk lens, this reduces procurement challenge risk by enabling the council to explain decisions rather than reconstruct them and directly supports PA23 transparency objectives with an outcome focused test ("can you explain the decision?"). This training is now routinely delivered to services and service management teams as opportunities arise.

10. While it is not possible to say that there have been no further breaches, at the current time none have been brought to the attention of, or have been identified by, the Head of Audit & Management Assurance or the Head of Procurement & Contract Management for the reporting period considered here. Should previous period 'breaches' be identified, they will be reported to Audit & Governance Committee during the next available reporting period.

Procurement Decision Records (PDRs)

11. There were 382 PDRs approved during 2025/26 totalling approximately £231m.

12. PDRs are required at set 'gateways' to document the approach and decisions taken in the stages of the procurement process for contracts exceeding £5,000. There is a more complex formal process for contracts exceeding £30,000.

13. PDRs are completed by officers responsible for the procurement process and authorised by the senior responsible officer, normally the service director and Head of Procurement & Contract Management. A copy of the PDR is sent to the Procurement & Contract Management Team to arrange for the details therein to be input to the Council's Contract Register in the public domain.

14. From the 2024/25 Financial Regulations, as approved by this Committee, the concept of waiving (a waiver of) Financial Regulations was removed. Instead, the four categories that were known as waivers, shown in the table below, are now incorporated into the PDR. Fundamentally this new process is more efficient and avoids duplication.

PDRs of all contract values	i.	Standard competition requirements not followed as they would likely cause harm to health or property.
	ii.	A particular supplier is required because competition is absent for technical reasons
	iii.	Payments in advance for goods, services or works
	iv.	Spot-purchase (i.e. off-contract) when buying against a compliantly procured contract was an option.

15. Should any of the four categories feature in any of the 382 PDRs, it remains a requirement that they are reported annually to Audit & Governance Committee on the basis that they are circumstances where the expected and normal procurement related activity, requirement or expectation could not be followed for some good reason.

16. In 2025/26 a total of 133 (of 382) PDRs were included in one of the four categories. The contract value of these relevant PDRs totalled £21.2m (this is a rounded figure).

17. A summary by classification type of PDR is set out in the table below, with comparison to the last two financial years. More detail of each relevant PDR for 2025/26 is set out in Appendix 2.

PDR Circumstance (Part G Para 5)	Total PDRs 2025/26	Total PDRs 2024/25	Total Waivers 2023/24
i. Standard competition requirements not followed as they would likely cause harm to health or property.	5	0	0
ii. A particular supplier is required because competition is absent for technical reasons .	103	23	21
iii. Payments in advance for goods, services or works.	25	5	12
iv. Spot-purchase (i.e. off-contract) when buying against a compliantly procured contract was an option.	0	0	2
Total	**133**	**28**	**35**
Total Value	**£21.2m**	**£4.2m**	**£0.7m**

18. If a member of this Committee has a question pertaining to any specific relevant PDR in the Appendix 2, then it may be necessary to answer the question outside of the committee meeting as the Head of Audit & Management Assurance may not have detailed explanations to hand for all 133 records.

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix 1 - Preventing Breaches Comms Example
Appendix 2 – Relevant Procurement Decisions Records 2025/26

This page is intentionally left blank

Preventing accidental breaches of financial regulations

Published 04/03/2026 · 2 min read

Following BCP Council's financial regulations helps protect our services, colleagues and the communities we support. Our colleagues in Procurement and Audit have reviewed the most common causes of accidental breaches and have put together some key reminders to help everyone stay compliant.

Buying personnel services

If you're buying personnel services from an agency **outside the council's corporate framework (Comensura)** and the estimated spend will be **more than £5,000**, you must complete a **procurement decision record (PDR)**.

Please describe what you're buying as **services**, not **staff**, to ensure the process remains compliant.

What a PDR does

A PDR is a straightforward way to record what we're planning to buy and why, at the right stage of the procurement journey.

There are five types, each covering a specific point in the process:

- **Define** – before shaping detailed requirements
- **Procure** – before advertising an opportunity
- **Award** – before awarding a contract
- **Contract change** – before making a significant change (introduced via PA23)
- **Terminate contract** – before ending a contract (introduced via PA23)

When a PDR is essential

Sometimes a PDR is required even when you're not running a full competition. This includes situations where:

- There's a **risk of harm** to people or property
- You can't follow competition requirements for **technical reasons**, such as compatibility or operational issues
- You need approval for **advance payments**
- A **spot purchase** is made despite an existing compliant contract

Recording these decisions helps demonstrate clear and responsible management.

How PDRs differ from other reports

If you're completing an **officer decision record (ODR)** or a **cabinet report**, please note that these do **not** replace the need for a PDR. If both apply, both must be completed.

Planning ahead

A growing risk is Procurement not being made aware early enough of planned procurements. This can affect the council's legal requirement to publish information in the **UK1 pipeline notice**.

To help avoid this, please meet regularly with your **procurement category manager** to discuss any upcoming procurement activity.

Heads of service can also contact the team via:

- procurement.resources@bcpcouncil.gov.uk
- procurement.place@bcpcouncil.gov.uk
- procurement.wellbeing@bcpcouncil.gov.uk

This page is intentionally left blank

Count	PDR Ref	Project Title	Procurement Circumstance	Value
		Adult Social Care		
1	1390	BCP Treatment System Lot 1	A particular supplier is required because competition is absent for technical reasons	£170,460
2	1391	BCP Treatment System Lot 1	A particular supplier is required because competition is absent for technical reasons	£82,000
3	1266	BCP Treatment system Adults and Young People	A particular supplier is required because competition is absent for technical reasons	£214,000
4	1210	Homeless Team - D&A	A particular supplier is required because competition is absent for technical reasons	£769,734
5	1207	Housing Support Team - D&A	A particular supplier is required because competition is absent for technical reasons	£520,000
6	1367	BCP Treatment System Lot 4	A particular supplier is required because competition is absent for technical reasons	£503,365
7	1354	Housing Related Support LD and-or Autism	A particular supplier is required because competition is absent for technical reasons	£331,552
8	1168	Criminal Justice Team - D&A	A particular supplier is required because competition is absent for technical reasons	£316,340
9	1201	CAN Wellbeing Collaborative	A particular supplier is required because competition is absent for technical reasons	£191,320
10	1153	Trusted Reviewers	A particular supplier is required because competition is absent for technical reasons	£180,780
11	1660	Hospital Discharge Re-ablement Service	A particular supplier is required because competition is absent for technical reasons	£178,250
12	1234	Supported Living Service Learning Disability	A particular supplier is required because competition is absent for technical reasons	£174,720
13	1365	BCP Treatment System Lot 2	A particular supplier is required because competition is absent for technical reasons	£169,500
14	1232	Self Advocacy	A particular supplier is required because competition is absent for technical reasons	£160,680
15	1364	BCP Treatment System Lot 1	A particular supplier is required because competition is absent for technical reasons	£156,000
16	1533	Reablement Night Care Service	A particular supplier is required because competition is absent for technical reasons	£93,744
17	1073	Daytime support for older people with care and support needs (The Filo Project)	A particular supplier is required because competition is absent for technical reasons	£72,000
18	1267	Criminal Justice, Homeless and Housing Support	A particular supplier is required because competition is absent for technical reasons	£61,885
19	1613	Ways to Wellbeing	A particular supplier is required because competition is absent for technical reasons	£51,558
20	1206	One Off Grants CAN Wellbeing Collaborative	A particular supplier is required because competition is absent for technical reasons	£50,000
21	1268	Ashley Cooper House	A particular supplier is required because competition is absent for technical reasons	£46,803
22	1632	My Way Forward Programme	A particular supplier is required because competition is absent for technical reasons	£45,000
23	1366	BCP Treatment System Lot 3	A particular supplier is required because competition is absent for technical reasons	£40,500
24	1166	ACT - Drug & Alcohol	A particular supplier is required because competition is absent for technical reasons	£40,000
25	1651	Befriending and Mentoring Service	A particular supplier is required because competition is absent for technical reasons	£36,020
26	1167	Counselling Drug & Alcohol	A particular supplier is required because competition is absent for technical reasons	£23,000
27	1500	Drug & Alcohol Homeless Psychosocial Service	A particular supplier is required because competition is absent for technical reasons	£20,000
28	1489	BCP Treatment System Lot 4	A particular supplier is required because competition is absent for technical reasons	£10,000
29	1269	Residential Care cost assessments	A particular supplier is required because competition is absent for technical reasons	£9,000
30	1297	Moving & Handling Training	A particular supplier is required because competition is absent for technical reasons	£8,775
31	1473	Certificate of Sponsorship	A particular supplier is required because competition is absent for technical reasons	£6,846
32	1440	Carers and Hospital Discharge Project	A particular supplier is required because competition is absent for technical reasons	£6,670
33	1329	Befriending and Mentoring Service	A particular supplier is required because competition is absent for technical reasons	£6,020
34	1209	Combating Drug Partnership Co-ordinator - D&A	A particular supplier is required because competition is absent for technical reasons	£6,000
35	1446	CME Development Programme	A particular supplier is required because competition is absent for technical reasons	£5,000
36	1498	Drug Campaign	A particular supplier is required because competition is absent for technical reasons	£5,000
37	1492	Combating Drug Partnership co-ordinator	A particular supplier is required because competition is absent for technical reasons	£3,000
			Total	**£4,765,522**
		Children's Commissioning		
38	1132	Sensory spaces and resources	A particular supplier is required because competition is absent for technical reasons	£1,257,480
39	1460	Outreach Services	A particular supplier is required because competition is absent for technical reasons	£718,809
40	1415	Short Break Daytime Activities for Disabled Children	A particular supplier is required because competition is absent for technical reasons	£500,000
41	1713	Handyvan	A particular supplier is required because competition is absent for technical reasons	£174,000
42	1072	Daytime Activity Provision for people with care and support needs	A particular supplier is required because competition is absent for technical reasons	£100,000
43	1128	Parenting Programme	A particular supplier is required because competition is absent for technical reasons	£100,000
44	1612	Infrastructure in the Voluntary, Community, Faith and Social Enterprise (VCFSE)	A particular supplier is required because competition is absent for technical reasons	£100,000
45	1486	Children and Young People Domestic Abuse Advocate	A particular supplier is required because competition is absent for technical reasons	£90,000
46	1131	Venue hire - The Careers and Apprenticeship Show	A particular supplier is required because competition is absent for technical reasons	£61,807
47	1317	Hub provision model	A particular supplier is required because competition is absent for technical reasons	£60,000
48	1507	Community Parenting Assessment (Reverse Residential)	A particular supplier is required because competition is absent for technical reasons	£44,130
49	1448	Families First Secondment	A particular supplier is required because competition is absent for technical reasons	£27,584
50	1192	Baby Massage Programme	A particular supplier is required because competition is absent for technical reasons	£24,000
51	1836	Workforce Development in the C-Change Approach Programme	A particular supplier is required because competition is absent for technical reasons	£23,000
52	1185	Bereavement Counselling for Children & Young People	A particular supplier is required because competition is absent for technical reasons	£22,000
53	1518	Counselling Support	A particular supplier is required because competition is absent for technical reasons	£20,000
54	1193	Parent Carer Forum	A particular supplier is required because competition is absent for technical reasons	£17,500
55	1180	Nursery Provision	A particular supplier is required because competition is absent for technical reasons	£13,260
56	1190	Trauma Informed Training Programme	A particular supplier is required because competition is absent for technical reasons	£12,500
57	1126	Specialist Foster Carer Recruitment	A particular supplier is required because competition is absent for technical reasons	£12,000
58	1319	Intercountry information and advice service	A particular supplier is required because competition is absent for technical reasons	£7,167
59	1695	Passenger Transport Service	A particular supplier is required because competition is absent for technical reasons	£6,540
60	1437	Eye Movement Desensitisation and Reprocessing Therapy (EMDR)	A particular supplier is required because competition is absent for technical reasons	£6,240
61	1474	Practice Framework Project	A particular supplier is required because competition is absent for technical reasons	£5,000
62	1323	Whole School Inclusion	Payments in advance for goods, services or works (also in 'Competition absent' category)	£150,000
63	1438	Creative Ensemble	Payments in advance for goods, services or works (also in 'Competition absent' category)	£7,560
			Total	**£3,560,577**
		Commercial Operations		
64	1816	Sand Drain Drainage Clearance Works Eastcliff Drive	Standard competition requirements not followed as they would likely cause harm to health or property. (also in 'Competition absent' category)	£77,810
65	1791	Foam Pit repair and replacement Foam	Standard competition requirements not followed as they would likely cause harm to health or property. (also in 'Competition absent' category)	£55,392
66	1668	East Cliff Stabilisation Works - Specialist Academic Geologist	Standard competition requirements not followed as they would likely cause harm to health or property. (also in 'Competition absent' category)	£35,000
67	1055	Land Train Repair & Maintenance Services 2025-26 - direct award	A particular supplier is required because competition is absent for technical reasons	£40,000
68	1356	Rain Gauge Network	A particular supplier is required because competition is absent for technical reasons	£26,000
69	1289	Drainage Clearance and Condition Survey	A particular supplier is required because competition is absent for technical reasons	£21,115
70	1683	Technical/Consultant Support for a beach sediment Marine Licence Application	A particular supplier is required because competition is absent for technical reasons	£16,000
71	1888	Purchase of 1 x Pinball Machine	A particular supplier is required because competition is absent for technical reasons	£6,650
72	1421	SCOPAC Basralocus Timber Review	A particular supplier is required because competition is absent for technical reasons	£5,000
73	1140	Pest Control Seafront	A particular supplier is required because competition is absent for technical reasons	£4,855
74	1013	Trot Mooring Chain Inspection and Service	A particular supplier is required because competition is absent for technical reasons	£4,750
			Total	**£292,572**
		Customer & Property Operations		
75	1661	Refurbishment of Heritage Lamp Columns	Payments in advance for goods, services or works	£120,000
76	1775	Talbot Road Virgin Media Cable Diversion Works	Payments in advance for goods, services or works (also in 'Competition absent' category)	£12,969
77	1866	Pumping Station Replacement Pumps	Standard competition requirements not followed as they would likely cause harm to health or property.	£75,000
78	1844	Three Phase Diesel Standby Generator	A particular supplier is required because competition is absent for technical reasons	£20,632
79	1383	Utility Diversion - Gervis Place	Payments in advance for goods, services or works (also in 'Competition absent' category)	£4,343
80	1564	Twin Sails - Spare Parts	Payments in advance for goods, services or works (also in 'Competition absent' category)	£17,000
81	1882	BIC Replacement Cladding	Payments in advance for goods, services or works (also in 'Competition absent' category)	£51,461
			Total	**£301,404**
		Education & Skills		
82	1176	Shell scheme for Carers and Apprenticeship show	A particular supplier is required because competition is absent for technical reasons	£75,000

83	1070	Home to School Transport review	A particular supplier is required because competition is absent for technical reasons	£35,000
84	1135	Musical instrument storage	A particular supplier is required because competition is absent for technical reasons	£24,130
85	1118	Managed Service – Course Guides to Supermarkets	A particular supplier is required because competition is absent for technical reasons	£10,000
86	970	Musical Instrument maintenance	A particular supplier is required because competition is absent for technical reasons	£7,132
87	1148	Music workshops	A particular supplier is required because competition is absent for technical reasons	£5,125
			Total	**£156,387**
		Environment		
88	1935	Falconry Services for Bird Pest Control	Standard competition requirements not followed as they would likely cause harm to health or property. (also in 'Competition absent' category)	£223,976
89	1698	Hire of Asphalt Trailer	A particular supplier is required because competition is absent for technical reasons	£85,000
90	1542	Fleet - 2 x Small Car Derived Vans (Replacement of HG59 OZC & HJ10 XKT)	A particular supplier is required because competition is absent for technical reasons	£42,800
91	1847	Nuffield Recycling Centre - Drainage Tank Repairs	A particular supplier is required because competition is absent for technical reasons	£38,874
92	1645	UE1 Housing Development Merley - Boardwalk Construction	A particular supplier is required because competition is absent for technical reasons	£19,589
93	1094	Advanced Payment to Vodafone Ltd - Works	Payments in advance for goods, services or works	£6,717
			Total	**£416,956**
		Housing & Public Protection		
94	1294	Housing Related Support - Homeless Pathway (RSAPRG)	A particular supplier is required because competition is absent for technical reasons	£773,958
95	1302	BCP Domestic Abuse Community Services	A particular supplier is required because competition is absent for technical reasons	£518,517
96	878	Respite Rooms - Supported Housing for Women	A particular supplier is required because competition is absent for technical reasons	£358,258
97	214/1237	Kennelling Contract	A particular supplier is required because competition is absent for technical reasons	£140,000
98	1303	Hospital Domestic Abuse Support Specialists	A particular supplier is required because competition is absent for technical reasons	£90,000
99	1115	Grants to the Voluntary and Community sector	A particular supplier is required because competition is absent for technical reasons	£81,000
100	1077	Harmful Sexual Behaviour project	A particular supplier is required because competition is absent for technical reasons	£47,000
101	1183	Refugees and Asylum Seekers Community Hub	A particular supplier is required because competition is absent for technical reasons	£37,954
102	1155	Support Services for the UK Refugee Resettlement Programme	A particular supplier is required because competition is absent for technical reasons	£35,000
103	1592	Housing Related Support - Mental Health Pathway (Northover Court)	A particular supplier is required because competition is absent for technical reasons	£30,535
104	1170	Witness and Victim Support Service	A particular supplier is required because competition is absent for technical reasons	£28,000
105	1575	Stalking Behaviour Change Programme	A particular supplier is required because competition is absent for technical reasons	£27,500
106	1523	Stalking Behaviour Change Programme	A particular supplier is required because competition is absent for technical reasons	£18,000
107	1284	Reflective Practice within Strategic Housing and Partnerships	A particular supplier is required because competition is absent for technical reasons	£16,715
108	1171	Safe Places Co-ordinator	A particular supplier is required because competition is absent for technical reasons	£10,000
109	1051	Domestic Homicide Review	A particular supplier is required because competition is absent for technical reasons	£6,000
110	1230	Domestic Homicide Review	A particular supplier is required because competition is absent for technical reasons	£6,000
111	977	Housing Related Support Single Homeless Pathway (YMCA)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£653,406
112	992	Housing Related Support Mental Health Pathway (Beechey Road)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£239,840
113	934	Housing Related Support Single Homeless Pathway (Housing 1st)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£235,250
114	991	Housing Related Support Mental Health Pathway (Northover Court)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£698,642
115	976	Housing Related Support Single Homeless Pathway (Langdon House)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£515,074
116	975	Housing Related Support Single Homeless Pathway (High Support Service)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£1,286,520
117	998	Housing Related Support Young People Pathway (Sevenoaks)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£326,996
118	996	Housing Related Support Young People Pathway (James Michael House)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£327,530
119	997	Housing Related Support Young People Pathway (Richmond Park Road)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£142,400
120	995	Housing Related Support Young People Pathway (Christchurch)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£200,640
121	922	Housing Related Support Single Homeless Pathway (St Pauls)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£847,916
122	923	Housing Related Support Single Homeless Pathway (Dorset Lodge)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£282,906
123	927	Housing Related Support Single Homeless Pathway (Lansdowne Gardens)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£307,026
124	989	Housing Related Support Mental Health Pathway (Millennium House)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£557,292
125	990	Housing Related Support Mental Health Pathway (Westbrook Court & Southbourne Road)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£721,040
126	859	Housing Related Support Single Homeless Pathway (BCP Street Outreach Service)	Payments in advance for goods, services or works (also in 'Competition absent' category)	£525,957
			Total	**£10,092,872**
		Investment & Development		
127	1745	Carters Quay Poole - Valuation	A particular supplier is required because competition is absent for technical reasons	£15,500
128	1441	Wessex Fields - RSA 3 Works	A particular supplier is required because competition is absent for technical reasons	£15,000
129	1830	Project Admiral - Legal Services	A particular supplier is required because competition is absent for technical reasons	£10,000
			Total	**£40,500**
		Planning & Transport		
130	1362	Local Electric Vehicle Charging Infrastructure (LEVCI) Joint procurement with Dorset Council	Payments in advance for goods, services or works	£1,447,000
131	1585	Local Transport Plan (LTP) Device Upgrading	A particular supplier is required because competition is absent for technical reasons	£80,085
			Total	**£1,527,085**
		Public Health & Communities		
132	1689	Domestic Homicide Review	A particular supplier is required because competition is absent for technical reasons	£9,000
133	1442	UP2U	A particular supplier is required because competition is absent for technical reasons	£5,300
			Total	**£14,300**
			Grand Total	**£21,168,175**

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Chief Internal Auditor's Annual Opinion Report 2025/26**
Meeting date	30 July 2026
Status	Public Report
Executive summary	It is the opinion of the Chief Internal Auditor that during the 2025/26 financial year: • arrangements were in place to ensure an adequate and effective framework of governance, risk management and internal controls (internal control environment), and that where weaknesses were identified there were appropriate action plans in place to address them; • the systems and internal control arrangements were generally effective and that agreed policies and regulations were generally complied with; • adequate arrangements were in place to deter and detect fraud; • there was an appropriate and effective risk management framework; • managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls; • the Council's Internal Audit service was effective and compliant with regulations and standards as required of a professional internal audit service; • the arrangements, in respect of the Chief Internal Auditor, were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".
Recommendations	**It is RECOMMENDED that:** **the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and Opinion on the overall adequacy of the internal control environment (governance processes, risk management and internal control arrangements) for BCP Council.**
Reason for recommendations	The Chief Internal Auditor's Annual Report and Opinion for BCP Council provides assurance on the effectiveness of the Council's control environment (governance processes, risk management and internal control arrangements) as required by the Global Internal Audit Standards.

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. The Chief Internal Auditor's Annual Report and Opinion for BCP Council was produced in compliance with the Global Internal Audit Standards (and supporting 'Application Note' for the public sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government), which requires the Head of Audit & Management Assurance, in his role as Chief Internal Auditor, to provide an overall internal audit opinion at least annually on the adequacy and effectiveness of
    - Governance processes
    - Risk management
    - Internal control arrangements

2. The Audit & Governance Committee must consider the Council's Chief Internal Auditor's Annual Report and Opinion before its consideration of the Council's Annual Governance Statement.

3. It should be noted that the title 'Chief Internal Auditor' is interchangeable with the terms 'Head of Internal Audit', 'Chief Audit Executive' and 'Head of Audit & Management Assurance' used in this report or in other relevant publications, guidance or standards.

The Chief Internal Auditor's Consideration & Opinion Summary

4. The Chief Internal Auditor's Annual Report and Opinion 2025/26 for BCP Council is provided at Appendix A.

5. In summary, it is the opinion of the Chief Internal Auditor for BCP Council that:
    - arrangements were in place to ensure an adequate and effective framework of governance, risk management and internal control (internal control environment) and that where weaknesses were identified there was an appropriate action plan in place to address them;
    - the systems and internal control arrangements were generally effective and that agreed policies and regulations were generally complied with;
    - adequate arrangements were in place to deter and detect fraud;
    - there was an appropriate and effective risk management framework;
    - managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;

- the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
- the arrangements at the Council in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".

Options Appraisal

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

Summary of financial implications

7. The total actual net cost, for the 2025/26 financial year, of the Internal Audit team was £824,314; compared against the budget of £824,400, this resulted in a net underspend of £86 (the required budgeted vacancy factor savings of 5% was met by an Audit Manager post being filled on a part-time basis). The costs above were inclusive of the Head of Audit & Management Assurance who managed several other teams and an Auditor who specialises in corporate fraud investigation, detection and prevention.

Summary of legal implications

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

Summary of human resources implications

9. There were 13.3 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2025/26 which is slightly less than the budget of 13.8 FTE due to an Audit Manager post being filled on a part-time basis during the year. This resource is inclusive of the Head of Audit & Management Assurance who manages several other teams and an Auditor who specialises in corporate fraud prevention, detection and investigation.

10. It is the opinion of the Chief Internal Auditor that these resources were sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances outlined in this report.

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Chief Internal Auditor's Annual Report and Opinion 2025/26
Including Annexe 1, 2 and 3

This page is intentionally left blank

Appendix A

Chief Internal Auditor's Annual Report and Opinion 2025/26

Introduction

1 This annual report is produced in compliance with the Global Internal Audit Standards (GIAS) (and supporting 'Application Note' for the public sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government). The GIAS requires the Chief Internal Auditor to provide an annual overall internal audit opinion on the adequacy and effectiveness of governance processes, risk management, and internal control arrangements (internal control environment); this report covers the period 1 April 2025 to 31 March 2026.

2 The scope of the Council's internal control environment that the Chief Internal Auditor is required to provide an opinion on is set out in the Council's Assurance Framework. The opinion given by the Chief Internal Auditor assists the Audit & Governance Committee in forming their view on the Annual Governance Statement.

Chief Internal Auditor's Audit Opinion 2025/26

3 The establishment of adequate and effective control systems is the responsibility of management. Internal Audit reviews were conducted using risk-based scoping, planning and sampling methodology; consequently, not every Council activity, transaction or project has been reviewed in-year by Internal Audit. It therefore follows that the Chief Internal Auditor is unable to provide absolute assurance that the internal control environment is operating adequately and effectively.

4 Based on the work undertaken by Internal Audit during 2025/26, it is the opinion of the Chief Internal Auditor that:

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

5 This opinion is a professional judgement based on the results of the Internal Audit work undertaken and reported upon during 2025/26. Whilst some internal control weaknesses and non-compliance with policies were identified during Internal Audit reviews, the context and overall materiality relative to the Council's wider control environment was a vital consideration in the overall judgement. Corrective actions have been agreed with management and this willingness to respond to and correct issues raised during audit reviews is a further key aspect in the Chief Internal Auditor giving an 'unqualified opinion'.

Basis of the Chief Internal Auditor's Opinion – A summary of work undertaken in 2025/26

Regularity Audit Work

6 The work of Internal Audit is designed to provide an annual opinion on the adequacy and effectiveness of the internal control environment (governance processes, risk management and internal control arrangements). The work carried out in 2025/26 to provide the annual opinion was agreed by the Audit & Governance Committee.

7 The work has taken into account the strategies, objectives and risks of the Council as part of the audit planning process.

8 All Service directorates had some form of audit coverage during 2025/26. 77 out of 77 audits of the in-year revised audit plan were fully completed (100%). Less audit resource than planned was available during the year due to an Audit Manager post being filled on a part-time basis. In addition, more time than planned was spent on:

- Further work to embed compliance with the new Global Internal Audit Standards including revising audit processes.
- Populating the new audit planning module of the audit management system.
- Servicing Audit & Governance committee meetings, including report preparation and responding to member queries.
- A significant investigation carried out by the Chief Internal Auditor.

While the overall opinion will always be a matter of professional judgement for the Chief Internal Auditor, the amount and type of work and risk-based approach carried out on the audit plan was sufficient for this overall Chief Internal Auditor's opinion to be robustly evidenced. A list of all audits completed during 2025/26 is attached at Annexe 1.

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

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

10 The list of 77 audits carried out during 2025/26 is shown in Annexe 1 which includes the assurance level given for each review.

In summary, 67 'Reasonable' and 7 'Partial' assurance level opinions were given during the year. Additionally, 3 'position statement' reviews were also carried out during 2025/26. There were no Minimal assurance opinions given for any of the audits. Whilst the 'Partial' opinion audits are reported during the quarterly reporting to Audit & Governance Committee, it is good practice to summarise and state these again in this annual report, these were:

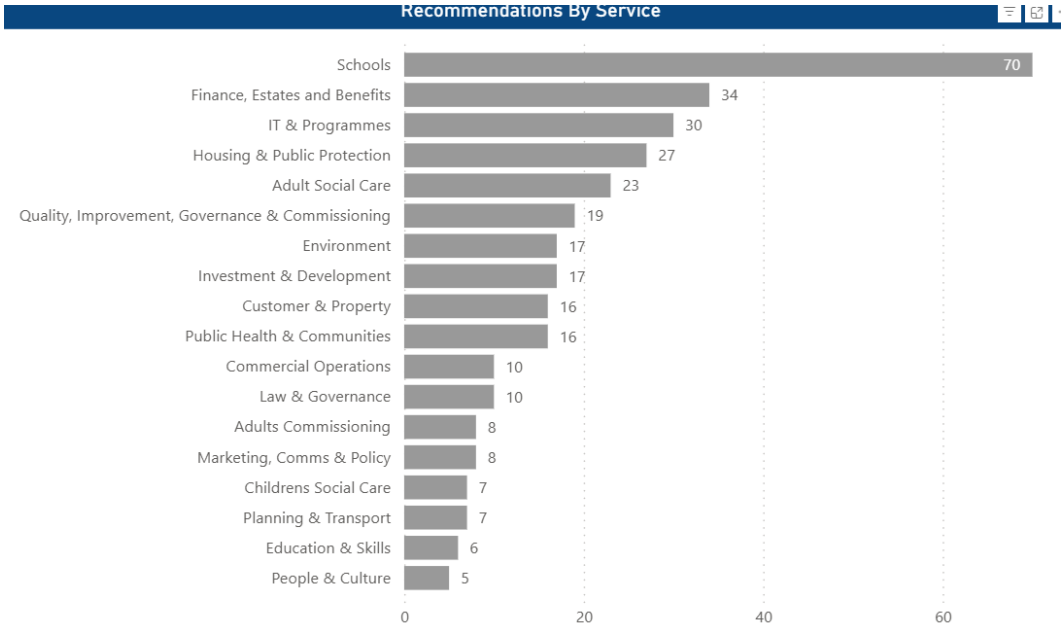
	Audit	High Priority recommendations to improve controls covering:
1	Adult Social Care – Deprivation of Liberty Safeguards (DoLS)	There is a significant waiting list of Deprivation of Liberty Safeguards assessments awaiting allocation, the majority of which are outstanding in excess of legislative timeframes. The capacity and effective deployment of different types of Best Interest Assessors requires improvement.
2	Children's Commissioning, Resource & Quality – Out of Borough Placements	It cannot be confirmed that there are Out of Borough notifications for all 2025/26 Out of Borough provision.
3	Finance, Estates & Benefits – Health & Safety	There is no effective Inspection Plan currently in place which has been risk assessed in order to make best use of resources. In addition, inspections are not currently being carried out.
4	Finance, Estates & Benefits – Asset Management (Estates)	Data on Civica TechForge is incomplete and not reconciled to Dynamics - previous recommendation
5	Environment – Passenger Transport	Personal Travel Budgets (PTB) agreements do not state that they are to be used for transportation to school use only and checks on the use of PTB are not carried out including verification of the young person's attendance at school
6	Customer, Arts & Property - Asset Management (Facilities Management) Leisure Centres Health & Safety Compliance	The electrical installation condition report for Two Riversmeet Leisure Centre was scheduled for completion in March 2026; however, at the time of the audit it had not been carried out. The previous inspection in 2021 identified areas requiring action, Internal Audit have not been provided with assurance that corrective action has been taken. Water tanks at Dolphin and Rossmore Leisure Centres have not been subject to annual inspection in accordance with the 2025/26 inspection schedule and documented risk assessment for each leisure centre. The Head of Service has not established formal oversight of inspection compliance, resulting in estimates being used for senior management reporting.
7	Better Care Fund	BCP Council has two Better Care Fund (BCF) Section 75 Agreements for 2025/26 (primary agreement and a separate agreement for the Integrated Community Equipment Service (ICES)). While both agreements have been formally approved and signed by the Council, they remain unsigned by the Integrated Care Board (ICB). BCP Council funds part of the ICES using the DFG. While the scheme has received the necessary approvals, this approach presents potential non-compliance with DFG requirements. DFG is intended to fund adaptations, typically involving fixed or permanent modifications to a property. However, ICES primarily provides portable and reusable equipment, which is not fixed to a property and may be reissued between users.

11 During 2025/26 regularity audit work was undertaken covering a range of systems in different service areas and schools and included audits of the following fundamental Council financial systems: Main Accounting (with Financial Management), Creditors, Debtors, Housing Benefits & Council Tax Reduction Scheme, Treasury Management, Social Services Financial Assessments, Payroll, Council Tax and NDR systems (as set out in Annexe 2). Note the Housing Rents audit covered the 2024/25/25 financial year and was reported as part of the 2024/25 CIA Annual Report.

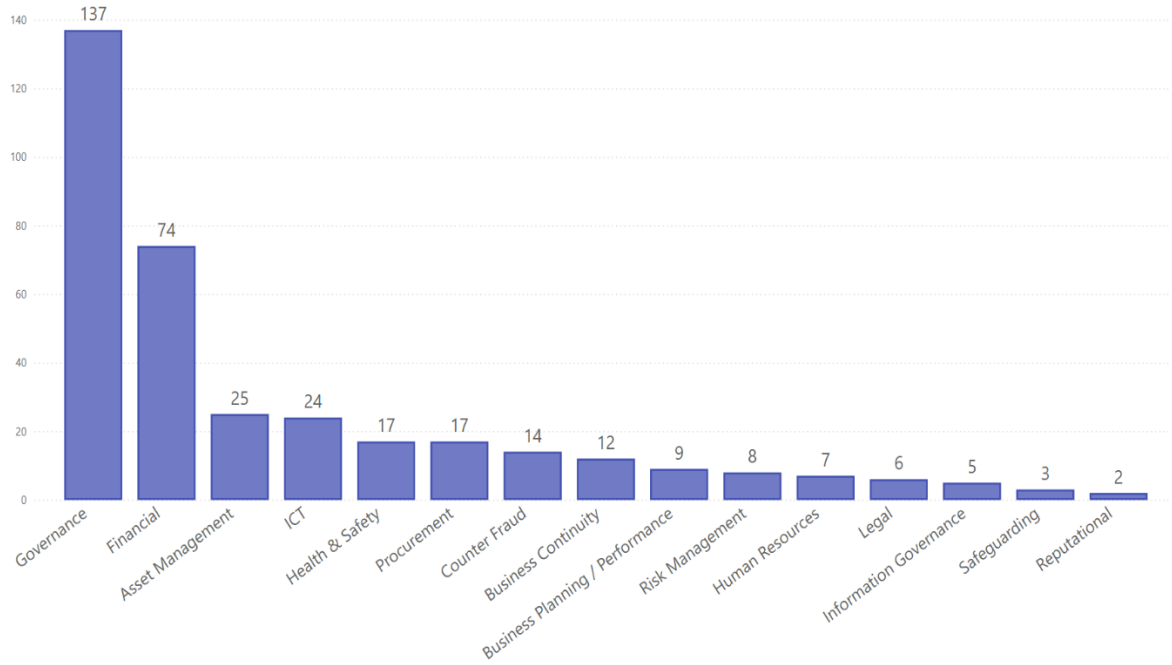
12 The Council's Assurance Framework (as set out at Annexe 3) has been populated to show Internal Audit coverage during 2025/26 over the significant risks facing the Council which has been carried out through Key Assurance audit reviews.

13 Recommendations were made throughout the year across all service areas and schools, and action plans detailing management actions to mitigate the risks and control weaknesses identified have been agreed in all cases.

14 During the period 1 April 2025 to 31 March 2026, a total of 330 recommendations were raised (compared to 255 in 2024/25 and 257 in 2023/24), all of which were accepted by management; the table below summarises the service areas in which these recommendations were made.



15 The table below summarises the recommendation themes identified during the year, highlighting that governance and financial recommendations have been the most common control improvements in 2025/26 and are expected to remain key focus areas in 2026/27.



16 The establishment of robust follow-up procedures has provided assurance that the implementation of audit recommendations is high. The quarterly update report to this committee provides an ongoing status update of recommendations and any that require escalation.

17 It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date must be reported to the Audit & Governance Committee. This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.

18 Several high priority recommendations, where target dates had passed but the recommendation had not been implemented, were reported to the committee who were satisfied that a revised target date was appropriate for some good reason.

19 Auditees score individual areas of the audit process resulting in a combined total client satisfaction score (5-Very Good, 4-Good, 3-Satisfactory, 2-Poor, 1-Very Poor). The following average auditee satisfaction scores were received during 2025/26:

Year	Audit completed within expected timescales	Adequately consulted and able to highlight concerns/risks	Helped to manage risks, improve controls and governance	Report clear, concise, well presented and understandable	Overall
2023/24	4.69	4.72	4.69	4.66	4.69
2024/25	4.52	4.66	4.59	4.52	4.57
2025/26	**4.68**	**4.88**	**4.59**	**4.79**	**4.74**

20 The overall average score of 4.74 for 2025/26 illustrates a very high level of satisfaction with the way in which audits are conducted and exceeded the performance target of 4 (Good). This shows that management recognise the value added by the Internal Audit team, which provides timely, clear and independent advice on the establishment and adequacy of the control environment.

Counter Fraud Work

21 Counter Fraud work was undertaken during 2025/26 to further improve the Council's arrangements for combating fraud & corruption. This work included reviewing selected fraud risk areas such as Contract Payments, Moveable Assets, Housing Right to Buy, Blue Badges, Adult Social Care Direct Payments, Cash Income (Seafront Arcade), and Concessionary Travel.

22 Proactive counter fraud work is carried out including obtaining information on frauds that have occurred in other local authorities (through sources such as the National Anti-Fraud Network). The information is assessed for risk exposure within BCP Council and assurances are sought that existing controls would prevent the fraud occurring.

23 Internal Audit have continued to provide specialist investigative resource to support management with high risk fraud areas (housing tenancies, right to buy and blue badges). Work was also carried out on coordinating the annual Cabinet Office National Fraud Initiative (NFI) data matching exercises.

24 The annual evolution review of the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy, Regulation of Investigatory Powers Act and Investigatory Powers Act Policy, and Financial Regulations were undertaken by the Internal Audit team during the year and new policies were agreed by this Committee for 'go live' on the first day of the new financial year (1/4/26).

25 Internal Audit have carried out proportionate investigations during the year in response to every identified or suspected case of financial irregularity. A full report covering the 2025/26 financial year will be presented to this Committee in October 2026.

26 Outcomes of the counter fraud work (including concluded investigations and NFI results) are incorporated into the Internal Audit Counter Fraud Work and Whistleblowing Referrals annual report which will be presented to the October 2026 Audit & Governance Committee meeting.

Risk Management Framework

27 A high-level audit review of the Risk Management key assurance function was carried out which confirmed:

- There is a Corporate Risk Register which is regularly reviewed by Senior Management and relevant Boards and reported to Audit & Governance Committee on a quarterly basis
- Service Risk Registers are in place for all Directorates and as indicated above, Internal Audit has completed some assurance work on a sample of these registers
- There is a Corporate Fraud Risk Register in place which has been shared with Directorates
- The Information Governance Risk Register is being reviewed currently by Internal Audit
- There is a newly updated Risk Management Policy in place which has been noted by Audit & Governance Committee in February 2026 and approved by Corporate Management Board.

28 A new Risk Management Policy has been introduced, and the organisation is currently updating its approach to risk through the implementation of an Enterprise Risk Management (ERM) framework. A more detailed audit review is planned for 2026/27 to evaluate the updated policy and ERM approach once these have been further developed and embedded.

Governance Work

29 Internal Audit completed some specific governance reviews during the year (in addition to key assurance functions work) :

- Strategic CIL Governance Arrangements – 'Reasonable' Audit Opinion
- Officer Decision Records – 'Reasonable' Audit Opinion
- Better Care Fund – 'Partial' Audit Opinion

Where applicable, recommendations were made to improve internal control and governance arrangements.

30 The Local Code of Governance update is being taken to this Committee meeting as part of the Annual Governance Statement report.

31 Progress made against actions arising from the 2024/25 Annual Governance Statement has been reviewed and was presented to the Audit & Governance Committee in January 2026.

32 Work was undertaken to compile the 2025/26 Annual Governance Statement for inclusion in the Council's statement of accounts. The preparation of the statement included reviewing the Management Assurance Statements (evaluation on the adequacy and robustness of management controls) completed by Service Directors.

Other Work

33 Work was undertaken during the year to certify grant and external funding schemes totalling over £13 million as required by the grant funding conditions. The grants included:

- Various Department for Transport grants;
- Disabled Facilities Grant;
- Early Education Funding;
- Public Health Grant

34 Internal Audit undertook internal audit reviews of the Charter Trustees of Bournemouth and the Charter Trustees of Poole, as requested, to support their Annual Governance and Accountability Returns (AGAR). This work was provided on a fee-charged basis.

35 Work was carried out to provide assurance on compliance with the Declaration of Interests, Gifts & Hospitality Policy, specifically the necessary completion of Form 2s by Tier 4 and above officers and is being reported separately to this committee meeting in under the 'Annual Review of Register of Declarations of Interests, Gifts and Hospitality by Officers Report 2025/26' report.

36 Assurance over funding allocated to nurseries and pre-schools was completed during the year. All 32 planned reviews for 2025/26 were delivered, with no significant issues identified.

37 Support and advice has been provided on breaches of Financial Regulations which is included in a separate report to this committee meeting.

38 Internal Audit also continued to support the independent review of Local Government early retirement appeals on the grounds of ill health during the year.

39 Officer time was also spent on supporting the equalities network corporate group.

40 Internal Audit has completed its planned actions under the Data Analytics Strategy to enhance the effective and efficient delivery of assurance. During 2025/26, specific assurance reviews were conducted using data analytics and continuous auditing techniques, focusing on purchasing card transactions, employee expenses, and creditor payments under £250 that were automatically approved.

41 Significant time was spent during 2025/26 by the Chief Internal Auditor on leading an investigation into the arrangements in place for the creation, operational running and closure of BCP FuturePlaces Limited following the agreed scope at the 29 May 2025 committee. The Audit & Governance Committee received the outcome in the form of a report presented in three parts due to its length and detail in 2025/26, and it was proposed that the committee would monitor the implementation of report recommendations utilising the agreed methodology for High recommendations.

Compliance with Professional Standards

42 The new Global Internal Audit Standards (GIAS) came into effect on 1 April 2025, replacing the Public Sector Internal Audit Standards. A report presented to the Audit & Governance Committee on 20 March 2025 provided an overview of the new standards and confirmed that, following a self-assessment, the internal audit function was assessed as 'generally conforming' across all standards and domains.

43 An action plan has been put in place, with work carried out during 2025/26 to review processes, as set out in the table below, which demonstrates compliance.

Standard	Action	By when?	Status
Domain II – Ethics & Professionalism			
1.1 Honesty & Courage	Update Audit Manual with reference to new standards including ethical requirements	June 2025	Completed
3.1 Competency, Domain IV - 10.2 Human Resources Management	Undertake assessments against the competency framework for all auditors and ensure the outcomes are used to identify necessary support and training.	June 2025	Completed
Domain III – Governing the Internal Audit Function			
Introduction, 6.1 Mandate, 6.2 Charter, 6.3 Board & Senior Management support, 7.1	Consider and document, in conjunction with senior management, the enhancements required to current arrangements in relation to the GIAS as they apply to BCP Council, including: • Requirements of Domain III • Support of the Mandate	June 2025	Completed

Standard	Action	By when?	Status
Organisational Independence	• Agreement of the Charter • Support of the Internal Audit function • Chief Internal Auditor's independence		
8.3 Quality, 12.2 Performance Management	Consult with senior management to determine their involvement in internal audit's performance management including: • Receiving reports on quality assessments • Input into performance objectives • Participation in the annual self-assessment	June 2025	Completed
8.4 External Quality Assessments	Senior management* will be formally consulted regarding the scope and frequency of external assessments	August 2026	This is being consulted on as part of current EQA
Domain IV – Managing the Internal Audit Function			
9.2 Internal Audit Strategy	Review the Internal Audit Strategy with senior management	June 2025	Completed
11.3 Communicating Results	Include recommendation themes into audit planning and report to Audit & Governance Committee as part of the Chief Internal Auditor's Annual Report	July 2025	Completed
Domain V – Performing Internal Audit Services			
13.2 Engagement Risk Assessment, 13.4 Evaluation Criteria	Include use of service performance management and measurements against objectives on the Planning Checklist and in the Audit Manual. Give consideration as to whether this needs to be specifically included as a prompt on working papers.	Sept 2025	Completed
13.2 Engagement Risk Assessment	Establish a library of standard work programmes which can be used as a starting point for future audits.	Sept 2025	Commenced and Ongoing
14.3 Evaluation of Findings	Establish a methodology for undertaking root cause analysis, how this be recorded and how this will be reported.	Sept 2025	Completed
Topical Requirements			
Topical Requirements	Establish a process to ensure that all Topical Requirements are considered as part of all relevant audits and include this as part of the Audit Manual and standard documentation.	Sept 2025	Completed

44 The GIAS require the Council to put in place a quality assurance and improvement programme in respect of Internal Audit, which must include both external and internal assessments.

45 CIPFA concluded that the BCP Internal Audit Team conformed with the previous standards (Public Sector Internal Audit Standards) following their external assessment in June 2021. An external assessment is required every five years under GIAS; accordingly, the next review is scheduled for autumn 2026.

46 All Auditors sign an annual declaration of the Institute of Internal Auditor's (IIA) code of ethics, which confirms that they will remain independent and will report any conflicts of interest to the Chief Internal Auditor or Head of Finance. In undertaking all audit reviews, officers have acted independently, objectively and ethically at all times.

47 In accordance with the Audit Charter, the Deputy Chief Internal Auditors have overseen all audit engagements for functions that are managed by the Chief Internal Auditor (Emergency Planning, Business Resilience, Risk Management, Insurance and Health & Safety) and reports have been provided directly to the Head of Finance, Estates and Benefits.

48 The CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations" demonstrates the Head of Internal Audit's (HIA) critical role in delivering the organisation's strategic objectives. An annual self-assessment has been carried out in respect of the five principles contained in this document, which states that the HIA:

a should promote good governance, assess the adequacy of governance and management of existing risks, and advise on proposed developments;
b should give an objective and evidence based opinion on all aspects of governance, risk management and internal control;
c must be a senior manager with regular and open engagement across the organisation with the Leadership Team and the external auditor;
d must lead and direct an internal audit service that is resourced to be fit for purpose; and
e must be professionally qualified and suitably experienced.

49 The Chief Finance Officer (CFO) has confirmed, through regular 1:1 meetings and a formal annual appraisal, that the Council's Chief Internal Auditor is compliant with all of these five principles.

Internal Audit Strategy and Performance

50 The Internal Audit Charter contains the BCP Council Internal Audit Strategy which was presented to the Audit & Governance Committee in March 2025 and set out the teams overall vision "to continuously improve the risk, control and governance arrangements across the Council" for the period 2025-2028.

51 The Strategy contains five strategic objectives:

- To ensure full compliance with GIAS standards
- To use artificial intelligence to support audit work
- To ensure the Internal Audit Team includes fully trained/ qualified Apprentices
- To ensure data analytics is fully embedded within Internal Audit assurance work
- To have a fully functioning internal auditing management system

52 Progress has been made across all five areas. This includes implementing a GIAS action plan, incorporating artificial intelligence into audit planning and delivery, advancing professional training, introducing data analytics within audits, and developing an audit planning module within the audit management system.

53 The Internal Audit Charter incorporates the Internal Audit Data Analytics Strategy for 2025–28. During 2025–26, a number of actions were undertaken to strengthen the integration of data analytics within the Internal Audit function. These included delivering assurance work using analytics on selected datasets (such as debtors and payroll), reviewing the most effective methods for reporting findings, exploring data matching techniques for counter-fraud purposes, and providing training to the team on the effective use of artificial intelligence in data analytics.

54 The Internal Audit Charter also contains a Quality Assurance and Improvement Programme required under the GIAS which includes internal audit performance measures. The results against these measures for 2025/26 that are required to be reported to the Audit & Governance Committee annually are set out below. It can be demonstrated that, overall, performance targets were substantially achieved:

Internal Audit Objective: To strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.		
Internal Audit is adequately resourced to allow the CIA to conclude on their Annual Opinion		
REF	**PERFORMANCE TARGET**	**2025/26 Outcome**
1A	To complete (Final Audit Reports) the final revised annual audit plan by 30 May (where fieldwork falls in March) or 31 July (where fieldwork falls after March) for agreed cross-year audit engagements.	**Substantially Achieved** All 77 audits reached draft stage by 30 May (72 finalised), with the remaining five finalised before the end of June 2026
Internal Audit provides an effective and efficient service		
2C	100% of customer satisfaction surveys received rate the service as good (score of 4) or above.	**Substantially Achieved** 94% of surveys received were scored 4 or above (32 out of 34 received). Average score of 4.74 during 2025/26
2E	100% of High and Medium non-implemented recommendations comply with the Escalation Policy.	**Achieved** 100% of non-implemented recommendations escalated in accordance with the policy during 2025/26 where required. Including some being reported to Audit & Governance Committee
2F	Conduct annual internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note.	**Achieved** Internal assessment carried out and action plan in place to ensure full compliance arrangements.

Conclusion

55 During 2025/26, Internal Audit completed all audits within the revised audit plan and issued 67 Reasonable assurance opinions, 7 Partial assurance opinions and 3 Position Statements. No Minimal assurance opinions were issued. A total of 330 recommendations were agreed by management and client satisfaction remained high, with an overall score of 4.74 out of 5. These results provide a strong evidence base supporting the Chief Internal Auditor's annual opinion

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

Appendices

Annexe 1 2025/26 Audits Completed
Annexe 2 Key Financial System Audit Opinions
Annexe 3 BCP Council Assurance Framework 2025/26

Annexe 1: 2025/26 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE DIRECTORATE AUDITS		
1	Adult Social Care	Deprivation of Liberty Safeguards	Partial
2	Adult Social Care	Extra Care Housing	Reasonable
3	Adult Social Care	Community Mental Health	Reasonable
4	Commissioning	Better Care Fund	Partial
5	Commissioning	Care Technology	Reasonable
6	Housing & Public Protection	Leaseholder Charges	Reasonable
7	Housing & Public Protection	Food Safety Regulatory Compliance	Reasonable
8	Housing & Public Protection	Procurement & Contract Management (KAF)	Reasonable
9	Housing & Public Protection	Temporary Accommodation and B&B Financial Management (Follow-up)	Reasonable
10	Children's Commissioning, Resources and Quality	Out of Borough Placements	Partial
11	Children's Commissioning, Resources and Quality	Complaints	Reasonable
12	Children's Commissioning, Resources and Quality	Safeguarding - BCP Safeguarding Partnership	Reasonable
13	Children's Social Care	Parenting Assessment Team	Reasonable
14	Children's Social Care	Pathway Plans	Reasonable
15	Education & Skills	Adult Learning	Reasonable
16	Education & Skills	Children's Capital Programme	Reasonable
17	Public Health	Public Health Grant	Reasonable
18	Public Health	Public Health (Key Assurance Review)	Reasonable
19	Wellbeing Directorate	Human Resources (KAF)	Reasonable
20	Customer & Property Operations	In House Team Operating Model – Housing Revenue Account Charges	Reasonable
21	Customer & Property Operations	Business Continuity (KAF)	Reasonable
22	Customer & Property Operations	Corporate Complaints	Reasonable
23	Planning & Transportation	Strategic CIL Governance Arrangements	Reasonable
24	Planning & Transportation	Bus Subsidy Arrangements	Reasonable
25	Planning & Transportation	Business Planning & Performance Management and Risk Management (KAFs)	Reasonable
26	Commercial Operations	Business Continuity KAF	Reasonable
27	Environment	Passenger Transport Operations	Partial
28	Investment & Development	Business Continuity (KAF)	Reasonable
29	Investment & Development	Procurement (KAF)	Reasonable
30	People & Culture	Business Continuity (KAF)	Reasonable
31	People & Culture	Business Planning & Performance Management (KAF)	Reasonable
32	Law & Governance	Risk Management (KAF)	Reasonable

	Service Area	Audit	Assurance Opinion
33	Law & Governance	Local Land Charges	Reasonable
34	Law & Governance	Officer Decision Records	Reasonable
35	IT & Programmes	Citizen Development (Application Development)	Reasonable
36	IT & Programmes	BACS Bureau	Reasonable
37	IT & Programmes	Guest WiFi Networks	Reasonable
38	IT & Programmes	IT Equipment - Asset Management	Reasonable
39	IT & Programmes	Licensing	Reasonable
40	Marketing, Communications & Policy	Social Media Management	Reasonable
	KEY ASSURANCE FUNCTION AUDITS		
41	Customer, Arts & Property	Asset Management (Facilities Management) Leisure Cer Health & Safety Compliance	Partial
42	Finance	Asset Management (Estate Management)	Partial
43	Finance	Business Continuity & Emergency Planning	Reasonable
44	Finance	Financial Management (with Main Accounting KFS)	Reasonable
45	Finance	Health & Safety	Partial
46	Customer, Arts & Property	Fire Safety	Reasonable
47	People & Culture	Human Resources (Core KAF)	Reasonable
48	Finance	Procurement	Reasonable
49	IT & Programmes	Project & Programme Management	Reasonable
50	IT & Programmes	ICT (Core KAF)	Reasonable
51	Finance	Risk Management	Position Statement
52	Marketing, Communications & Policy	Service Planning & Performance Management	Position Statement
53	Adult Social Care	Corporate Safeguarding	Reasonable
54	Marketing, Communications & Policy	Sustainable Environment	Reasonable
55	Marketing, Communications & Policy	Partnerships	Position Statement
56	Law & Governance	Information Governance	Reasonable
	KEY FINANCIAL SYSTEMS AUDITS		
57	Finance	Housing Benefits & Council Tax Reduction Scheme	Reasonable
58	Finance	Council Tax	Reasonable
59	Finance	Non Domestic Rates	Reasonable
60	Finance	Main Accounting (with Financial Management)	Reasonable
61	Finance	Creditors	Reasonable
62	Finance	Debtors	Reasonable
63	Finance	Treasury Management	Reasonable
64	Finance	Social Care Financial Assessments	Reasonable
65	Finance	Payroll (KFS & Data Analytics)	Reasonable
	SCHOOL AUDITS		
66	Children's Services	Burton CE Primary School	Reasonable
67	Children's Services	Highcliffe St Mark Primary School	Reasonable
68	Children's Services	St Joseph's Catholic VA Primary School	Reasonable

	Service Area	Audit	Assurance Opinion
69	Children's Services	The Priory CE VA Primary School	Reasonable
70	Children's Services	St. Edwards RC/CE VA School	Reasonable
	COUNTER FRAUD AUDITS		
71	All service areas	Contract Payments	Reasonable
72	All service areas	Moveable Assets	Reasonable
73	Housing & Public Protection	Right to Buy	Reasonable
74	Customer & Property Operations	Blue Badges	Reasonable
75	Adult Social Care	Direct Payments	Reasonable
76	Commercial Operations	Cash Income - Seafront Arcade	Reasonable
77	Planning & Transport	Concessionary Travel	Reasonable

Audits Deferred (for Consideration in 2026/27), Removed or Added

	Service Area	Audit	Comment/ rationale
1	Commissioning Resources & Quality	Quality Assurance (Business Planning & Performance Management)	This was removed from the plan in agreement with the Children's Services management team. This had been covered by the Ofsted Inspection in December 2024. It was included in "The impact of leaders on social work practice with children and families" which was judged as "good" and specifically reported that "Quality assurance (QA) arrangements are now effective. A comprehensive, holistic and learning approach to QA is well established. Regular practice learning reviews with social workers are now embedded, helping to improve outcomes for children and support practice improvement for individual social workers. Thematic practice learning weeks are much valued by workers in helping to improve their learning and enhance their practice." Given how recently this area was reviewed by Ofsted, who are the subject matter experts, this assurance was considered suitable, and that additional assurance in this area was not required at this time. The audit will be considered as part of the 2026/27 audit plan.
2	Environment	Mortuary Digitisation	Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and a Coroners & Mortuary Audit was undertaken in 2024/25/26 and will be reported to the next Committee.
3	Operations	Health & Safety (Service KAF)	Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and core Health & Safety audit will be undertaken during 2025/26.
4	Housing & Public Protection	Housing Quality New Social Housing Regulations Compliance	The Regulator of Social Housing have announced they are carrying out an inspection at BCP Council in October, the scope of which is anticipated to cover the same areas as the proposed audit. Internal Audit have provided information to the service in preparation for the inspection. Assurance for this area in 2025/26 will be provided by the Inspectors' report.

5	Housing & Public Protection	Port Health	This has been postponed to 2026/27 due to the gap in resource identified in paragraph 9 above. This was chosen as it was a 'medium' risk.
6	ASC Commissioning	ASC Commissioning Recommendation Follow Up	The recommendations for this audit will be followed up as part of the standard follow up process. Although no issues are anticipated, if any concerns are identified as part of the normal process, then a targeted audit will be undertaken. Assurance for this area in 2025/26 will be provided via the standard follow up process and outstanding recommendations flagged in the Quarterly report process.
7	Commercial Operations	Major Events Governance	This has been postponed to 2026/27 to allow for the Council's response to Martyn's Law to be included in the scope. A full audit of this area was carried out in late 2022/23 and the recommendations have recently been followed up.
8	Commercial Operations	Business Continuity (Service KAF)	In conjunction with the Service Manager, this was added as a replacement audit for Major Events Governance to ensure sufficient audit coverage in Commercial Operations. The scope will include review of business continuity arrangements in the service, including compliance with corporate requirements.
9	Housing & Public Protection / Custor & Property	Asset Management (Facilities Management) – BCP Homes Health & Safety Compliance	A detailed audit of this area was carried out in 2024, the results of which were reported to Audit & Governance Committee in October 2024 as this was a 'partial' assurance report. The recommendations in the report have been followed up as part of the standard follow up process and all recommendations, bar one medium, have been implemented. Assurance for this area in 2025/26 has been provided via the standard follow up process. As no areas of concern were identified during the follow up, further Internal Audit work was not considered necessary during the year. Note – an Asset Management (Facilities Management) Health & Safety Compliance review for BCP Leisure will be carried out during Quarter 4 – which is also delivered by the Facilities Management in Customer & Property.
10	Law & Governance	ICT (Service KAF)	This was removed from the plan following discussions with the Service Director as the scope was to include the implementation of the legal case management system but this review is no longer required. This has been replaced by the risk management audit below.
11	Law & Governance	Risk Management (Service KAF)	In conjunction with the Service Manager, this was added as a replacement audit for ICT to ensure sufficient audit coverage in Law & Governance. The scope will include review of risk management arrangements in the service, including compliance with corporate requirements.
12	Adult Social Care	See Adult Social Care and Commissioning audits below	The Care Quality Commission (CQC) will be undertaking an inspection of Adult Social Care during Quarter 3. The scope of this has yet to be confirmed, but it is likely that it will cover at least one, if not more, of the internal audits planned in Adult Social Care this year, which would result in duplication. In addition, officers and managers in the service will be servicing the external review resulting in reduced availability to support an internal audit. Internal Audit are working with senior management in Adult Social Care to identify appropriate audit/s to be removed from the plan and this will be reported to the next Audit & Governance Committee. Assurance for this area/these areas will be provided by the CQC report.

13	Customer & Property	Libraries Strategy Implementation Governance Arrangements	Libraries Strategy has not progressed beyond an outline approach, so the audit has been deferred for consideration in 2026/27.
14	Customer & Property	Business Continuity (KAF)	This audit was carried out in place of the Libraries Strategy audit, as it was identified as a high-risk area that had not previously been reviewed.
15	Adult Social Care Commissioning	Better Care Fund (BCF)	A joint audit with the NHS and Dorset Council has been agreed. Previous joint audits at other local authorities have been viewed positively.
16	Adult Social Care Commissioning	Care Technology	This was removed from the plan to accommodate the BCF audit, following discussion with the relevant director who advised that there were no known areas of concern in the service following its recent review (audit risk assessed as medium).
17	Adult Social Care	Contact Centre	As reported in the October Quarterly update, Adult Social Care audits, anticipated to be in the region of 40 days, would be removed from the Audit Plan, due to the Care Quality Commission (CQC) inspection. Once the CQC report has been released, it may be that further amendments to the ASC plan are required, dependent on scope and findings. Whilst this time has already been reported, this confirms the audits which were selected. Both of the audits selected were 'medium' priority and will be considered for inclusion in future audit plans as part of the normal audit planning process.
18		Carers Service	
19	Adult Social Care	Emergency Duty Service	Audit swapped with Care Technology (both assessed as Medium Risk) to accommodate service priorities
20	Adult Commissioning	Care Technology	Audit swapped with Emergency Duty Service (both assessed as Medium Risk) to accommodate service priorities
21	Finance, Estates and Benefits	Human Resources (Service KAF)	Risk score re-assessed during year from medium to low. Removed from plan due to low risk and resource pressures.

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2025/26 Opinion	2024/25 Opinion	2023/24 Opinion
Council Tax	Finance	Reasonable	Reasonable	Reasonable
NDR	Finance	Reasonable	Reasonable	Reasonable
Housing Benefit & Council Tax Reduction Scheme	Finance	Reasonable	Reasonable	Reasonable
Debtors	Finance	Reasonable	Reasonable	Follow Up
Main Accounting	Finance	Reasonable	Reasonable	Partial
Creditors	Finance	Reasonable	Reasonable	Reasonable
Payroll	People & Culture	Reasonable	Reasonable	Reasonable
Treasury Management	Finance	Reasonable	Reasonable	Reasonable
Housing Rents	Housing	Reasonable*	Reasonable*	Follow Up
Social Services Financial Assessments	Finance	Reasonable	Reasonable	Reasonable

Notes
* 2024/25/26 Audit

Key:

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

Annexe 3

BCP Assurance Framework 2025/26

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	**Internal Audit Assurance Work**
Internal Audit	• All Service Directorates audited during 2025-26 • 77 audits completed (see Annexe 1 for list of audits) • 67 Reasonable and 7 Partial Assurance Level opinions were issued, together with 3 Position Statements • There were no Minimal assurance opinions
Counter Fraud	• Audit assignments carried out during 2025/26 have considered the risk of fraud including targeted high fraud risk reviews • Corporate Fraud Officer has provided support to service directorates on high risk external fraud areas (including housing tenancy) • Several investigations carried out and recommendations made to improve controls • Participated in National Fraud Initiative (NFI) data matching exercise
Asset Management (Estate Management)	• Internal Audit carried out an annual assurance review on asset management – estate management ('Partial' audit opinion – same as for 2024/25)
Asset Management (Facilities Management)	• Internal Audit carried out an annual assurance review on Asset Management (Facilities Management) focussing on Leisure Centres Health & Safety Compliance ('Partial' audit opinion)
Business Continuity	• Regular reporting took place during the year on corporate emergency planning arrangements to Audit & Governance Committee • Corporate Resilience Strategy and Emergency Planning & Business Continuity Governance Framework are in place • Internal Audit carried out an annual assurance review on Business Continuity ('Reasonable' audit opinion)
Business Planning & Performance Management	• Internal Audit carried out an annual assurance review ('Position Statement' issued)
Financial Management	• Regular reporting took place in year to Cabinet and Council • Internal Audit review of Financial Management and Main Accounting system undertaken during the year ('Reasonable' audit opinion)
Fire Safety	• Reporting of arrangements to Health & Safety & Fire Safety Board and Audit & Governance Committee took place in the year • Internal Audit carried out an annual assurance review on corporate Fire Safety arrangements ('Reasonable' audit opinion)
Health & Safety	• Reporting of arrangements to Health & Safety & Fire Safety Board and Audit & Governance Committee took place in the year • Internal Audit carried out an annual assurance review on corporate Health & Safety arrangements ('Partial' audit opinion)
Human Resources	• Audit review carried out on corporate Human Resources arrangements covering staff absence, performance management, sickness absence, and flexible working ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	**Internal Audit Assurance Work**
Information Communication Technology	• Internal Audit carried out reviews on Citizen Development ('Reasonable' audit opinion), BACS Bureau ('Reasonable' audit opinion), Guest WiFi Networks ('Reasonable' audit opinion), IT Equipment – Asset Management ('Reasonable' audit opinion) and Social Media Management ('Reasonable' audit opinion) • Internal Audit carried out an annual assurance review on ICT Core KAF covering governance, risk management, policies/procedures & training ('Reasonable' audit opinion)
Information Governance	• Information Governance Board in place and regular meetings occurring • Internal Audit carried out an annual assurance review on Information Governance ('Reasonable' audit opinion)
Partnerships	• Internal Audit carried out an annual assurance review ('Position Statement' issued)
Procurement	• Procurement & Contracts Board in place and regular meetings occurring • Internal Audit review of Procurement carried out ('Reasonable' audit opinion) • See separate Annual Report on Breaches and PDRs reported to this committee
Project & Programme Management	• Internal Audit carried out an annual assurance review on corporate project and programme management arrangements ('Reasonable' audit opinion)
Risk Management	• Corporate Risk Management Strategies and frameworks in place • Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management • Internal Audit carried out a high level assurance review ('Position Statement' issued)
Safeguarding	• Internal Audit carried out an annual assurance review on corporate safeguarding arrangements ('Reasonable' audit opinion)
Sustainable Environment	• Internal Audit carried out an annual assurance review on Sustainable Environment ('Reasonable' audit opinion)
Management Assurance Statements	• Received from Corporate and Service Directors • Any potential significant issues raised were considered for inclusion on the Annual Governance Statement
EXTERNAL SOURCES OF ASSURANCE	
External Audit	Quality / Accreditation Schemes
External Reviews & Inspections	External Benchmarking
Regularity Bodies	Peer Reviews

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Annual Report of the Audit & Governance Committee 2025/26**
Meeting date	30 July 2026
Status	Public Report
Executive summary	Good governance is ultimately the responsibility of Council as the governing body of BCP Council. This report provides assurance as to the way in which the Audit & Governance Committee has discharged its role to support Council in this responsibility. In addition, the report underpins the Annual Governance Statement, which is approved by the committee. The attached report at Appendix A, Annual Report of the Audit & Governance Committee 2025/26, demonstrates how the Committee has: • Fulfilled its terms of reference; • Complied with national guidance relating to audit committees; and • Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.
Recommendations	**It is RECOMMENDED that the Audit & Governance Committee consider and approve the annual report prior to its submission to Council on 13 October 2026.**
Reason for recommendations	To demonstrate how the Audit & Governance Committee has fulfilled its terms of reference, complied with national guidance relating to audit committees, and contributed to strengthening risk management, internal control and governance arrangements in BCP Council.
Corporate Director	Cllr Mike Cox, Portfolio Holder for Finance
Report Authors	Aidan Dunn, Chief Executive
Wards	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Classification	Not applicable

Background

1. Good practice suggests that an annual report to Council is produced to demonstrate the importance the Council places on good governance arrangements.
2. Good governance is ultimately the responsibility of Council as the governing body of BCP Council. This report provides assurance as to the way in which the Audit & Governance Committee has discharged its role to support Council in this responsibility. In addition, the report underpins the Annual Governance Statement, which is approved by the Committee.

Audit & Governance Committee Annual Report 2025/26

3. The attached report at Appendix A, the Annual Report of the Audit & Governance Committee 2025/26, demonstrates how the committee has:
    - Fulfilled its terms of reference;
    - Complied with national guidance relating to audit committees;
    - Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.
4. The report is split into the following areas:
    - Foreword by Councillor Eleanor Connolly, the Committee Chairperson.
    - Introduction
    - The Audit & Governance Committee Information
    - Committee Business – The Work & Activity of the Committee
    - Looking Forward
5. The report also includes the Terms of Reference for the Audit & Governance Committee for reference at Appendix A1.
6. An officer-lead self-assessment against CIPFA Audit Committee best practice has been undertaken which demonstrates a high level of compliance – see Appendix A2. An Action Plan is in place, which includes a full committee self-assessment, to be undertaken by the Committee itself in November 2026.

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

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

Background papers

None

Appendices

Appendix A – Annual Report of the Audit & Governance Committee 2025/26, including:

- Appendix A1 – Audit & Governance Committee Terms of Reference
- Appendix A2 – CIPFA Self-Assessment

This page is intentionally left blank

ANNUAL REPORT OF THE AUDIT & GOVERNANCE COMMITTEE 2025/2026

Annual Report of the Audit & Governance Committee 2025/26

Foreword by Councillor Eleanor Connolly

I am pleased to introduce the annual report of the Audit & Governance Committee, summarising the contribution the Committee made during the 2025/26 municipal year to the achievement of good governance, effective internal control, and strong financial management within the Council.

The councillors and the two independent persons of the Committee brought a balanced, independent, and objective approach to business of the Committee and I sincerely thank them for the contributions they made.

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

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

Given the national backstop arrangements, the Committee acknowledged that the external auditor's disclaimer opinion issued for the Statement of Accounts for 2024/25 was the best outcome BCP Council could expect, this position being common across upper tier Councils. This highlights the continued good work of the Council's Finance team and the effective relationship with the external auditor.

Given historic concerns surrounding the creation and operation of BCP FuturePlaces, a now closed wholly owned company focused on regeneration, the Committee commissioned a wide-ranging investigation from the Council's Chief Internal Auditor. The Committee considered this investigation report over three dedicated meetings. The report provided factual insight over matters the Committee wanted clarity over; recommendations were also made in the context of governance improvements and lessons learnt. A final meeting in July 2026, to conclude the investigation, considered the recommendations, which are to be taken to full Council.

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

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

I would like to take this opportunity to thank Samantha Acton and Lindy Jansen van-Vuuren, independent persons, who served diligently on the Committee for the length of their tenure which ended on 31/3/2026.

Cllr Eleanor Connolly
Chair – 2025/26

1. INTRODUCTION

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

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

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

CIPFA/Solace Delivering Good Governance in Local Government Framework 2016 Edition (incorporating May 2025 addendum) (the Good Governance Framework)

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

1.4 This report demonstrates how the Committee has:

- Fulfilled its terms of reference;

  Complied with national guidance relating to audit committees; and

- Contributed to strengthening risk management, internal control and governance arrangements in BCP Council.

2. THE AUDIT & GOVERNANCE COMMITTEE INFORMATION

Role of Audit & Governance Committee

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

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

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

2. The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

Audit Committees – Practical Guidance for Local Authorities and Police (2022)

2.3 The Terms of Reference (ToR) for the Audit & Governance Committee should be reviewed annually against current regulations, the CIPFA position statement and

guidance for audit committees and best practice in comparable authorities. A&G Committee will review the ToR in November 2026 during the proposed self-assessment process and which is included in the Forward Plan of the Committee.

2.4 The Committee's approved Terms of Reference for 2025/26, which were detailed on the BCP website, can be summarised as providing independent assurance to Council in relation to the:

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

The complete Terms of Reference for the Committee are shown at Appendix A1 of this report.

Membership and attendance

2.5 The Committee was chaired during the 2025/26 municipal year by Councillor Eleanor Connolly, and the vice chair was Councillor Marcus Andrews. The Committee comprised nine councillors (inclusive of the Chair and Vice) and two independent persons.

2.6 The Committee met formally on ten occasions during 2025/26. All meetings were quorate and face to face in line with government requirements for all Committee meetings. Attendance at the meetings is recorded below:

Committee member	Number of meetings possible to attend	Number of meetings attended in person (able to vote)	Number of meetings viewed on MS Teams(not able to vote)	Apologies sent & formal substitute appointed who attended in person (able to vote)	Apologies sent & no substitute appointed
Councillor					
Eleanor Connolly (Chair)	10	10	0	0	0
Marcus Andrews (Vice Chair)	10	10	0	0	0
Sara Armstrong	10	9	0	1 (Bull)	0
John Beesley	10	7	1	2 (Toby Slade)	0
Judes Butt	3	3	0	0	0
Stephen Bartlett	7	3	0	0	4
Margaret Phipps	10	6	0	2 (Dedman)	2
Vikki Slade	10	5	1	4 (Trent, Nanovo, Walters, Pankhurst)	0
Michael Tarling	10	8	0	2 (Pankhurst, Nanovo)	0
Clare Weight	8	7	0	1 (Nanovo)	0
Tony Trent	2	1	0	0	1
Independent persons (non-voting)					
Lindy Jansen-vanVuuren	10	1	7	n/a	2
Samantha Acton	10	7	0	n/a	3

There was also one specific briefing meeting delivered by the Head of Audit & Management Assurance, held virtually on MS teams, where the financial position of BCP FuturePlaces was outlined. This briefing was a 'deeper dive' of the summary financial position presented in public meetings.

2.7 Following various political changes through the year and subsequent review of political balance on the Committee, Councillor Judes Butt, after attending the first three meetings, was replaced by Councillor Stephen Bartlett and Councillor Clare Weight, after attending the first eight meetings, was replaced by Councillor Tony Trent.

2.8 Various other councillors attended Committee meetings from time to time, often for specific agenda items. Councillor Mike Cox, Portfolio Holder for Finance, attended most meetings in person or virtually.

2.9 In addition to the Committee members, the Chief Executive, Director of Finance, Head of Audit & Management Assurance (the Chief Internal Auditor), Director of Law and Governance, representatives from the External Auditors (Grant Thornton) and other officers including the Insurance & Risk Manager and Democratic Support officers, as appropriate, attended Committee meetings.

Independence of the Committee

2.10 As a Council appointed Committee, Audit & Governance Committee is appointed in accordance with the requirements for political balance and proportionality but, in line with CIPFA guidance and best practice, strives for political neutrality.

2.11 Samantha Acton and Lindy Jansen-vanVuuren served as non-voting Independent persons to the Committee, having been appointed by Council following an openly advertised selection process in October 2023. The introduction of independent persons to the Committee enhanced the independence of the Committee as it discharges its functions. In addition, the professional audit and business experience and knowledge of the independent persons gave depth and insight to the robust challenge the Committee provided in considering the assurances received.

2.12 Both independent persons decided to end their tenure at the 31 March 2026 having served on the Committee for their two-year term. Two new independent persons have been appointed, pending Council approval.

Knowledge and Skills of the Committee Members

2.13 Councillors bring with them a wide range of knowledge and skills from their working life and elected representative roles to the work of the Committee. The skills and knowledge of the Committee are further complemented by those of the Independent Members, who have brought with them a wealth of knowledge and experience in both business and audit settings, and they apply this knowledge, skill and experience to BCP Council.

2.14 The Committee also participated in 'deeper-dive' sessions including, for example, How the Internal Audit Plan is derived, Procurement arrangements (including changes resulting from the Procurement Act 2023) and the governance and risk management associated with the Council's use of Artificial Intelligence (see table at 3.2).

2.15 Grant Thornton, the Council's External Auditor, routinely provided sector updates and presented some in depth briefings including refresher training on the roles and responsibilities of Audit Committees.

2.16 The BCP Council Audit & Governance Committee MS Team continues to be used where Committee members can communicate with each other or officers to discuss matters, to seek training or to simply ask a question. Officers also share relevant sector briefings using this MS Team.

2.17 Looking forward, the Committee will continue to participate in further training and development opportunities over the 2026/27 municipal year. The Committee have requested a training session on the statement of accounts prior to its next review. The chair has once again invited members of the Committee, or indeed any councillors, to make her aware of any governance, risk or internal control matters where greater understanding or acquisition of skills may benefit individuals or the Committee in discharging its responsibilities. Such requests will be incorporated into the Forward Plan for a report, presentation or training session to be received in the non-core meetings of the Committee.

Operation of the Committee

2.19 The Committee met on ten formal occasions during the 2025/26 municipal year with meeting dates structured around the receipt of annual assurance reports, external and internal audit reporting cycles, and the statutory requirements for production of the Accounts and Annual Governance Statement. This frequency of meetings ensures the Committee can fulfil its responsibilities in an efficient and effective way and has been compared against the CIPFA recommended practice and arrangements in other local authorities.

2.20 The Committee meeting on ten occasions during the municipal year is towards the more frequent end of other local authorities' comparison. The most common other local authority frequency was quarterly, which tallies with the 'core' meetings of the BCP Council Audit & Governance Committee.

2.21 Live streamed webcasts of each meeting allowed members of the public and press to access meetings remotely. Members of the public were free to make statements or ask questions related to the agenda items at Committee meetings in line with the Constitution. All Committee meetings during 2025/26 heard questions and or statements from members of the public. In the case of questions, a response generally prepared by an officer was provided to the chair who gave the answer on public record.

2.22 The Committee is supported by several officers who attend regularly and bring expertise in relation to corporate governance, internal audit, finance, legal compliance, risk and resilience and information governance.

2.23 The chair and vice chair of the Committee have a briefing with appropriate officers prior to each Committee meeting to ensure the meeting runs as smoothly as possible in terms of who is presenting, and who else is likely to wish to speak.

Self-assessment against best practice

2.24 A self-assessment was undertaken against good practice set out in the CIPFA Audit Committees: Practice Guidance for Local Authorities and Police (2022). This has been done in the first instance by officers, reviewed by the Chair, but a whole-Committee review of these assessments will be undertaken during 2026/27; this will also include a self-evaluation of impact and effectiveness as recommended by the guidance.

2.25 The detailed results of the self-assessment are attached in Appendix A2 and summarised below:

.

Good Practice area	Does not comply / Significant improvement	Partially complies and extent of improvement needed		Fully complies – No further improvement
		Moderate improvement	Minor improvement	
Audit committee purpose and governance	0	0	2	8
Functions of the committee	0	0	3	8
Membership and support	1	2	2	4
Effectiveness of the committee	2	1	1	6
Total	3	3	8	26

It shows a high level of alignment with good practice, with 34 out of 40 sub-questions rated as fully complies or with only minor improvement required. There were 3 sub-questions where it was judged the Committee either did not comply or required significant improvement; these were in relation to undertaking this self-assessment, an action plan and formal identification of member training.

External Audit feedback

2.26 External Audit commented on the operation of the Audit & Governance Committee in their Annual Report. In relation to the FuturePlaces investigation, whilst they noted that this was not standard practice for an Audit & Governance Committee, they supported the implementation of the recommendations identified in the review.

2.27 They also raised the following points for consideration by the Council:

- Ensuring that the Audit and Governance Committee prioritise core assurance business as per the terms of reference and evaluate if their role should include scoping and commissioning lessons learnt reviews – *this is done through maintaining the four 'core' meetings throughout the year, ensuring core items are given full consideration*
- Reviewing and evaluating the effectiveness of the Committee annually, in line with CIPFA good practice guidance – *this is being done via the self-assessments (see 2.24 & 2.25)*

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

3.1 The key functions of the Committee are aligned to key statutory and regulatory deadlines. Consequently, the Committee in 2025/26 has received:

- Some reports in arrears, for the 2024/25 financial year;
- Some update reports in real or close to real time for the 2025/26 financial year; and
- Some reports in advance to implement policies and procedure for the 2026/27 financial year.

3.2 The table below summarises the reports received by the Committee during the 2025/26 municipal year.

Terms of Reference area	Reports received by the committee to enable oversight and discharge of responsibilities
Governance, Risk & Control	• Annual Governance Statement 2024/25 and Action Plan • Annual Review of Local Code of Governance Update • Chief Internal Auditor's Annual Opinion 2024/25 • Annual Breaches of Financial Regulations and Procurement Decision Records Report 2024/25 • Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25 • Annual Use of Regulation of Investigatory Powers Act and Investigatory Powers Act 2024/25 • Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2024/25 • Risk Management – Corporate Risk Register quarterly updates • Risk Management Policy
Internal Audit	• Internal Audit Plan 2025/26 Queries & Approval • Chief Internal Auditor's Annual Opinion 2024/25 • Quarterly Internal Audit Plan Updates (2025/26) • Internal Audit Plan Coverage Presentation (2025/26) • Assurance Framework, Audit Charter & Internal Audit Plan 2026/27
External Audit	• Audit Plan 2024/25 • Audit Plan 2025/26 • Audit Findings Report & Statement of Accounts 2024/25 • Auditors Annual Report (Value for Money arrangements report) 2024/25 • Audit Progress & Sector updates
Treasury Management	• Treasury Management Outturn 2024/25 • Treasury Management Strategy 2026/27 • Treasury Management Quarterly Monitoring Updates 2025/26 • Review of business cases for increased prudential borrowing: Poole Museum, Building Maintenance & Construction Teams, Two Riversmeet Studios,
Accountability arrangements	• Audit & Governance Committee Annual Report 2024/25
Other functions	• Information Governance Update 2024/25 • Procurement and Contract Management – Delivery Plan Progress Report (six monthly progress report) • Emergency Planning & Business Continuity annual update • Health & Safety annual update • Fire Safety annual update • Annual evolution of Council Policies for 2026/27: i. Whistleblowing ii. Anti-Fraud and Corruption iii. Declaration of Interests, Gifts & Hospitality iv. Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) • Financial Regulations - annual evolution for 2026/27 • Appointment of new Independent Persons
Discretionary and/or requested functions	• Review of the Council's Constitution - a separate working group met during the year to review the Constitution. Proposals will be brought to A&G Committee and Council during 2026/27. • Investigation of BCP FuturePlaces Limited (based on agreed scope) • Governance and processes of Regeneration projects (with a focus on Carters Quay)

	• Local Government and Social Care Ombudsman complaint review • Presentation – Artificial Intelligence – Governance and Risk Management

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

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

3.4 Council has delegated to the Committee the authority to approve the Council's pre-audited and audited Statement of Accounts, which includes the Annual Governance Statement, on behalf of the Council. Note - As per self-assessment, this needs to be made explicit in the Committee's Terms of Reference.

3.5 The Committee considered and approved the draft 2024/25 AGS in July 2025 following receipt of the Chief Internal Auditor's Opinion, subject to any comments received during the during the formal period of public consultation.

3.6 The Committee approved the audited Statement of Accounts for 2024/25 in February 2026. Due to the national challenges where a prior year's audit (2022/23) was subject to backstop-related disclaimed audit opinion, the external auditor was unable to form a full opinion on the financial statements. This position is common across the vast majority of local authorities, and all upper tier local authorities (as BCP Council is).

3.8 The audit for the 2025/26 year has commenced and Grant Thornton and BCP Council are working collaboratively to re-install more timely audit reporting in line with the national agenda.

External Audit

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

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

3.11 In November 2025 the Committee received the external auditor's annual report, where the auditor is required to report their commentary under specific criteria, namely financial sustainability, governance and improving economy, efficiency and effectiveness. They are required to report on any significant weaknesses they identify.

3.12 The 2024/25 Annual Report identified the following weaknesses:

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

Overall, two key recommendations and four improvement recommendations were made. The Council provided the External Auditor with management responses to all the recommendations, including responsible officer and due date for implementation.

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

Governance

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

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

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

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

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

3.14 The Chair of A&G Committee has ongoing engagement with the External Auditor, and the Committee looks forward to continuing to work with the External Auditors, considering the responses of management to audit recommendations and ensuring that appropriate actions are agreed and implemented.

Internal Audit

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

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

3.17 From 1 April 2025, Internal Audit were required to conform to the new Global Internal Audit Standards (GIAS), the Application Note for the GIAS in the UK Public Sector and CIPFA's Code of Practice for the Governance of Internal Audit the UK Local Government, which replace the Public Sector Internal Audit Standards. The Committee noted the Internal Audit service had prepared for this change and that, via self-assessment, 'generally conformed' with the requirements, with an action plan in place to address any remaining areas for improvement.

3.19 The previous external assurance received from the Chartered Institute of Public Finance & Accountancy (CIPFA) was received in June 2021, and as per the GIAS requirements, the next external assessment will be carried out during 2026/27 as part of a 5 year rolling cycle.

3.20 The Committee reviewed and agreed the Internal Audit Charter. The Mandate and the Audit Charter continues to ensure the independence of the Internal Audit team.

3.21 The Committee reviewed the strategic annual risk based audit plan for 2026/27 including the allocation of resource to respective Council service areas. Following challenge from the Committee, positive discussions around information provided to the Committee to support their understanding of the plan were held, resulting in additional information being presented, which will continue moving forward.

3.22 The Internal Audit team undertake quarterly detailed operational audit scoping and planning which is now presented to the Committee in more detail. Local government sector challenges and significant levels of organisational change created uncertainty, complexity and increasing risk. Quarterly planning ensures audit plans are flexible and adaptive to new and emerging risks in this environment.

3.23 The Committee received and considered regular reports from the HAMA throughout the year providing updates on progress against the 2025/26 Internal Audit Plan, together with information relating to the wider work of the Internal Audit section.

3.24 The Committee was advised of the outcomes of every internal audit review, with greater depth and follow up provided in relation to reviews resulting in 'partial' or 'minimal' assurance. Of the 77 reports issued during the year, there were seven 'partial' assurance, and, reassuringly, no 'minimal' assurance review outcomes.

3.25 The Committee also received assurance that management responded positively by agreeing all recommendations made and these were followed up by the Internal Audit team to ensure they were implemented in the agreed timeframes.

3.26 The Committee received reports from the HAMA where any high priority recommendations were not implemented by the agreed target date or where medium priority recommendations were overdue by over two years. The Committee had the power to 'call-in' officers to explain delays in implementing recommendations. Whilst the Committee did not exercise this power during 2025/26, detailed explanations were sought on all recommendations over a year old (2023 and 2024). Where recommendations were not implemented by the target date, the explanations provided were reasonable and a revised target date was agreed.

3.27 The Committee was satisfied that the work undertaken to support the overall opinion of the HAMA was conducted in accordance with established methodology that promoted

quality and conformance with the International Standards for the Professional Practice of Internal Auditing and the GIAS.

3.28 The HAMA's overall Annual Audit Opinion concluded the Council has an adequate and effective framework of internal control, risk management and governance, although the detailed reporting through the year identified areas of weakness and where improvements can be made.

Risk Management

3.29 The Committee oversees the Council's risk management arrangements and strategy, which is currently being revised in line with feedback from the Corporate Management Board, the Committee and the Cabinet. The revised approach moves to an 'enterprise risk management model'. One key feature of this approach is to align enterprise risk ownership to a named senior officer in the Council.

3.30 The Committee reviewed the progress made by the Council in identifying and addressing corporate risks. This included consideration of the Corporate Risk Register at all core meetings.

3.31 During 2025/26 a number of officers (risk owners) were asked to attend the Committee meeting so the Committee could assess the adequacy and effectiveness of risk management.

Corporate Governance

3.32 The Committee considered and approved a refreshed Code of Corporate Governance. The Code reflects the core principles and requirements of the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework'.

3.33 The draft and final Annual Governance Statement for 2024/25 was approved showing how the Council complied with the Code of Corporate Governance and highlighting areas where improvements were required.

3.34 The Committee established a Constitution Review Working Group of five of its Councillors. The 2025/26 members of the Working Group were Councillor Connolly (Chair) and Councillors Andrews, Armstrong, Beesley and Phipps.

3.35 Since its establishment in July 2020, the Working Group has continued to meet a required to consider requests for change. The Group received advice from various officers including the Monitoring Officer and Head of Democratic Services. From time to time, as required, Officers and Councillors with specialist responsibility were invited to have an involvement.

3.36 Working Group recommendations that were agreed by Council have been implemented and incorporated into a revised and updated version of the Constitution and published on the Council's web site.

4. LOOKING FORWARD

4.1 The Committee has approved an initial Forward Plan for the 2026/27 municipal year setting out the regular update reports and annual assurance reports it will receive. This draft Forward Plan will be reviewed quarterly and will be amended or added to as required.

4.2 The Committee will remain flexible in its approach, to accommodate additional items within its remit as they emerge. As in the last municipal year, the Committee will request

and consider reports in relation to relevant matters which come to our attention during the year.

4.3 The Committee will provide the usual level of robust challenge to corporate governance and audit practice and procedure across the authority to ensure that BCP Council arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with.

4.4 In addition to the routine business the Committee have requested assurance reports in the 2026/27 municipal year in relation to the below, but more may be added during the year if required:

- Governance and processes of Regeneration Projects (with focus on the Carter's Quay development)
- FuturePlaces (this took place 16 July 2026)
- Council Owned Companies Shareholder Governance
- Risk Management – Children's Services deeper dive
- Procurement and Contract Management – processes for SMEs
- Governance of 'invest to save' decisions
- Artificial Intelligence – governance and risk update
- Governance of the Lower Gardens

This page is intentionally left blank

BCP COUNCIL - FUNCTIONS OF THE AUDIT & GOVERNANCE COMMITTEE

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

Statement of Purpose

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

The purpose of our Audit & Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of BCP Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk & Control

To consider the arrangements for corporate governance including reviews of the Local Code of Corporate Governance and review and approval of the Annual Governance Statement (AGS).

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

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

To consider arrangements for risk management including the approval of the Risk Management Strategy and review of the Council's corporate risk register.

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

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

Internal Audit

To approve the Internal Audit Charter.

To approve the risk-based Internal Audit Plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.

To consider reports from the Head of Internal Audit on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These

will include: a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work b) regular reports on the results of the Quality Assurance Improvement Programme (QAIP) c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).

To consider the Head of Internal Audit's annual report: a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit. b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.

To consider summaries of specific internal audit reports as scheduled in the forward plan for the Committee or otherwise requested by Councillors.

To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every 5 years.

To commission work from the Internal Audit Service (with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee).

External Audit

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

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

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

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

To commission work from External Audit (with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee).

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

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

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

Financial Reporting

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

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

Accountability Arrangements

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

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

Other Functions

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

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

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

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

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

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

To consider gifts and hospitality registers relating to officers.

This page is intentionally left blank

Audit & Governance Committee - Self-assessment of good practice

Introduction -

A self-assessment was undertaken against good practice set out in CIPFA Audit Committees: Practice Guidance for Local Authorities and Police (2022) and an evaluation of the impact and effectiveness of the audit committee was carried out. These have done in the first instance by the Chair (supported by officers) but a whole-committee review of these assessments will be undertaken during 2026/27.

Summary

The results of the self-assessment is summarised below. It shows a high level of alignment with good practice, with 34 out of 40 sub-questions rated as fully complies or with only minor improvement required. There were 3 sub-questions where it was judged the committee either did not comply or required significant improvement; these were in relation to undertaking this self-assessment, an action plan and formal identification of member training.

As a result, an action plan has been drawn up to address these initial issues which include undertaking a whole-committee review against the self-assessment during 2026/27. More minor issues include reviewing and updating the Terms of Reference.

Good Practice area	Does not comply / Significant improvement	Partially complies and extent of improvement needed		Fully complies – No further improvement
		Moderate improvement	Minor improvement	
Audit committee purpose and governance	0	0	2	8
Functions of the committee	0	0	3	8
Membership and support	1	2	2	4
Effectiveness of the committee	2	1	1	6
Total	3	3	8	26

Detailed self-assessment summary

	Good practice questions	Does not comply / Significant improvement	Partially complies and extent of improvement needed		Fully complies – No further improvement
			Moderate improvement	Minor improvement	
Audit committee purpose and governance					
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?				x
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?				x
3	Has the committee maintained its advisory role by not taking on any decision-making powers?			x Approval of accounts not explicit	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement				x
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				x
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?				x
7	Does the governing body hold the audit committee to account for its performance at least annually?				x
8	Does the committee publish an annual report in accordance with the 2022 guidance, including				
	- compliance with the CIPFA Position Statement 2022			X Self-assessment not included	
	- results of the annual evaluation, development work undertaken and planned improvements				x
	- how it has fulfilled its terms of reference and the key issues escalated in the year?				x
Functions of the committee					
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?				
	Governance arrangements			X Not full reflection of guidance	
	Risk management arrangements				x

	Internal control arrangements, including: - financial management - value for money - ethics and standards - counter fraud and corruption			X Gifts & hospitality review	
	Annual governance statement				x
	Financial reporting				x
	Assurance framework				x
	Internal audit				x
	External audit				x
10	Over the last year, has adequate consideration been given to all core areas?				x
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?			X External audit comments re investigation	
12	Has the committee met privately with the external auditors and head of internal audit in the last year?				X
Membership and support					
13	Has the committee been established in accordance with the 2022 guidance as follows?				
	- Separation from executive			X Not within Constitution	
	- A size that is not unwieldy and avoids use of substitutes				x
	- Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation				x
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			X Political balance	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	X No formal evaluation			
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?		X Some training provided		
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?		X No assessment completed		
18	Is adequate secretariat and administrative support provided to the committee?				x
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?				x

Effectiveness of the committee						
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?		X To identify how get feedback		
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?				x
22	Are meetings effective with a good level of discussion and engagement from all the members?				x
23	Has the committee maintained a non-political approach to discussions throughout?				x
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?				x
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?				x
26	Do audit committee recommendations have traction with those in leadership roles?				x
27	Has the committee evaluated whether and how it is adding value to the organisation?			X No formal assessment	
28	Does the committee have an action plan to improve any areas of weakness?	X No action plan			
29	Has this assessment been undertaken collaboratively with the audit committee members?	X Not undertaken by A&G			

Action Plan

	Good Practice	Finding	Priority	Action	By whom / target date
Audit committee purpose and governance					
1 SA3	Has the committee maintained its advisory role by	A&G Committee do make some decisions. Whilst not all of these decisions are in line with the guidance, they are clearly stated in the	Minor	Review the decisions made by A&G to ensure they are appropriate (in line with	Constitution Review Working

	Good Practice	Finding	Priority	Action	By whom / target date
	not taking on any decision-making powers?	Terms of Reference (ToR). However, the approval of the statement of accounts is not explicitly stated in the ToR (but is included in the Financial Regulations).		good practice and the Council's scheme of delegation). The Constitution Review Working Party approves the minor update to the Terms of Reference to make explicit reference to the approval of the statement of accounts.	Party / November 2026
2 SA8	Does the committee publish an annual report in accordance with the 2022 guidance, including compliance with the CIPFA Position Statement 2022?	An annual report is published annually and whilst it is considered the Committee largely complies with the guidance, no formal assessment of this has been carried out or reported until now. An initial desktop assessment has been carried out by officers (reviewed by the Chair of A&G) to support the 2025/26 annual report.	Minor	A whole-committee self-assessment and review of effectiveness undertaken during 2026/27 and will be reported in the next annual report.	A&G / November 2026
Functions of the committee					
	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?				
3 SA9	Governance arrangements	The ToR does include consideration of arrangements for corporate governance and this is reflected in practice. The CIPFA guidance also suggested the ToR includes *"Review the governance arrangements being put in place for major developments, such as the establishment of a collaborate arrangement or trading company"* which is currently not specified.	Minor	Constitution Review Working Party approves the addition of the following update to the Terms of Reference *"Review the governance arrangements being put in place for major developments, such as the establishment of a collaborate arrangement or trading company"*	The Constitution Review Working Party / November 2026
4 SA9	Value for money Ethics & standards Counter fraud & corruption	The current ToR states "… consider gifts and hospitality registers", however, these are not currently reviewed nor is it proposed that they are.	Minor	The Constitution Review Working Party approves the minor update to the Terms of Reference to reflect they receive overall assurance on the operation of officer gifts and hospitality policy rather than the detail in the registers.	The Constitution Review Working Party / November 2026
6	Over the last year, has the committee only considered	In response to the FuturePlaces investigation, the external auditor commented in their annual	Minor	As part of their self-assessment, Audit & Governance Committee to consider	A&G Committee

	Good Practice	Finding	Priority	Action	By whom / target date
SA11	agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	report that *the commissioning of this type of investigation, in our experience, is not standard practice for an Audit and Governance Committee* and advised that the Council could consider *ensuring that the Audit and Governance Committee prioritise core assurance business as per the terms of reference and evaluate if their role should include scoping and commissioning lessons learnt reviews.*		whether any changes to their Terms of Reference or practice is necessary following the external audit comments.	(self-assessment) November 2026
7 SA12	Has the committee met privately with the external auditors and head of internal audit in the last year?	The Chair regularly meets External Audit throughout the year, rather than the whole committee.	Minor	As part of their self-assessment, Audit & Governance Committee to consider whether any changes to current practice is required e.g. the Chair to advise members of forthcoming meetings.	A&G Committee (self-assessment) November 2026
Membership and support					
8 SA13	Has the committee been established in accordance with the 2022 guidance as follows? Separation from executive	Whilst custom and practice is that members of the Audit & Governance Committee do not also sit on the executive (i.e. Cabinet), this is not stated within the Constitution.	Minor	Constitution Review Working Party to recommend an amendment to the Constitution explicitly stating that Cabinet members may not also sit on Audit & Governance Committee	Constitution Review Working Party
9 SA14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	Committee membership is determined by maintaining political balance, with parties responsible for appointing their members.	Minor	Constitution Review Working Party to consider whether any requirements and / or guidance for appointment to Audit & Governance Committee could or should be part of the Constitution.	Constitution Review Working Party
10 SA15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	No evaluation of knowledge, skills or training needs has been undertaken.	Significant	A formal self-assessment of committee membership knowledge, skills and training needs will be undertaken to feed into the A&G Committee self-assessment against the guidance. This will be used to identify any skills and knowledge gaps and training needs.	Internal Audit/A&G Committee November 2026
11 SA16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Whilst training has been provided on some of the areas contained in the guidance, an assessment of required training has not been undertaken to ensure all training needs are met	Moderate	See Action point 10.	
12	Across the committee membership, is there a	Whilst there is a range of knowledge and experience across the committee membership,	Moderate	See Action point 10.	

SA17	satisfactory level of knowledge, as set out in the 2022 guidance?	no assessment has been carried out in line with the guidance.			
Effectiveness of the committee					
13 SA20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	Whilst feedback is received, from external audit, for example, this is no mechanism for Audit & Governance Committee to obtain feedback on their performance.	Moderate	As part of its self-assessment of impact and effectiveness, Audit & Governance Committee to determine how, and from whom, they should obtain feedback.	Internal Audit/A&G Committee November 2026
14 SA27	Has the committee evaluated whether and how it is adding value to the organisation?	Whilst the A&G Committee's annual report does give some consideration to this, there is no formal evaluation of its added value as per the guidance.	Minor	As part of its self-assessment of impact and effectiveness, Audit & Governance Committee to evaluate how it is adding value to the organisation.	Internal Audit/A&G Committee November 2026
15 SA28	Does the committee have an action plan to improve any areas of weakness?	There is no action plan to address areas of weakness.	Significant	This action plan addresses this finding.	
16 SA29	Has this assessment been undertaken collaboratively with the audit committee members?	This self-assessment has been undertaken by officers and reviewed by the Chair of Audit & Governance. It will be shared with the Committee and an assessment in collaboration with them will be undertaken during the year.	Significant	See Action Point 2.	

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Annual Governance Statement 2025/26 and Annual Review of Local Code of Governance**
Meeting date	30 July 2026
Status	Public Report
Executive summary	The Accounts and Audit Regulations 2015* require councils to produce an Annual Governance Statement (AGS) to accompany its Statement of Accounts. The AGS concludes that BCP Council "**has effective and fit-for-purpose governance arrangements in place in accordance with the governance framework"**. After considering all the sources of assurance (for governance arrangements), BCP Council Corporate Management Board identified that the following significant governance issues existed: • Dedicated School Grant (DSG) and Special Educational Needs and Disability (SEND) Services • Councillor Mandatory Training • Council Owned Companies • Corporate Asset Management An action plan to address these significant governance issues has been produced and is being implemented. An update against the action plan will be brought to Audit and Governance Committee in January 2027. *and as amended by the Accounts and Audit (Amendment) Regulations 2024 Only minor amendments to the Local Code of Governance have been necessary to keep pace with the Council's changing governance arrangements. The Council's Assurance Framework has been incorporated to enhance the document.
Recommendations	**It is RECOMMENDED that:** **a. The 'pre-audited' Annual Governance Statement 2025/26 is approved (subject to any comments received in connection with the public inspection of accounts)** **b. The annual update of Local Code of Governance is approved.**
Reason for	The Accounts and Audit Regulations 2015* require authorities to

recommendations	conduct a review at least once a year of the effectiveness of its governance arrangements and, following the review, approve an AGS which must accompany and be published with the Council's Statement of Accounts.
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 nigel.stannard@bcpcouncil.gov.uk Ruth Hodges ruth.hodges@bcpcouncil.gov.uk Audit Manager (Deputy Chief Internal Auditor)
Wards	Not applicable
Classification	For Decision

Background

1. The Accounts and Audit Regulations 2015* require the Council to produce an Annual Governance Statement (AGS) following review of its governance framework. This review is carried out in accordance with the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework and guidance.
2. The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled, and by which it is accountable to, engages with and leads the community.
3. BCP Council's Local Code of Governance describes the Council's governance framework using the seven principles of governance identified by best practice, shown in diagram 1 below.
4. The AGS comments on the effectiveness of these arrangements and identifies any significant issues (weaknesses) for the Council to address.
5. The draft AGS has been published as part of the Statement of Accounts statutory public inspection period from 15 June to 24 July 2026, during which time the public has the right to inspect, make an objection to, or ask the external auditor questions about any part of the accounts, including the AGS. Any comments received pertaining to the AGS will be considered by CMB and any necessary updates or amendments presented at Committee for consideration as part of its approval.
6. Since the publication of the draft Statement of Accounts, the AGS has been updated to reflect the updated Delivering Good Governance in Local Government Framework (from 2025/26). This is largely a formatting change but has been enhanced to include an Executive Summary and a Forward Look. These changes to the public inspection version are clearly shown in red in Appendix 1. For the 2026/27 AGS,

consideration will be given to framing significant governance issues as governance "failures" where this is applicable.

7. Once approved by A&G Committee the AGS will then become the 'pre-audited version' that is submitted within the Statement of Accounts to the External Auditors. At this stage it is also required to be signed by the Chief Executive and Leader of the Council, who must be satisfied that the document is supported by reliable evidence.
8. The final audited AGS is published within the Council's Statement of Accounts.
9. The Audit & Governance Committee is required to review the AGS and monitor the Council's response to the issues identified in the action plan.

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

Process for Compiling the AGS

10. The AGS is compiled from a wide range of evidence sources across the Council, including in-year elements and a year-end assessment which includes:
    - Completion of Management Assurance Statements by service directors;
    - Internal documentation and reports;
    - Consideration of governance of BCP companies and trusts;

- Chief Internal Auditor's Annual Report (reported separately to this Committee);
- Findings from internal and external reports (e.g. external audit, OFSTED);
- Follow up of the previous year's AGS Action Plan; and
- Consideration of any matters arising from the public inspection period (see 5 above).

11. A range of potential issues were identified during the evidence gathering process and was considered by BCP's Corporate Management Board (CMB). CMB recognise whether an issue constitutes a significant governance issue is one of judgement rather than fact, however the criteria below provide a framework for those judgements:

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

AGS Conclusion and areas requiring improvement

12. The AGS concludes that BCP Council "**for the year ended 31st March 2026 and to the date of the publication of the Statement of Accounts, it has effective, fit-for-purpose governance arrangements in place in accordance with the governance framework.**"

13. Overall governance arrangements are considered sound. The Council has desire and a duty to improve governance arrangements, accordingly four governance issues are identified, as follows:

	Significant Governance Issue 2025/26	
1	**Dedicated School Grant (DSG)** and **Special Educational Needs and Disability (SEND) Services**	These remain significant governance issues on the AGS. The two matters have been combined this year to reflect the relationship between the underlying issues and the actions required to address them.
2	**Councillor Mandatory Training**	As little improvement was made over the last year, this remains as a significant governance issue on the AGS.
3	**Council Owned Companies**	This is a new significant governance issue for 2025/26, as a range of governance concerns in some of the Council owned companies have emerged.

4	**Corporate Asset Management***	The Council does not have a strategy or financial plan to address concerns over deteriorating corporate asset conditions, including those impacting health and safety. **This does not include Council Housing Stock Management*

14. Of the three significant governance issues identified in the 2024/25 AGS, all have been included in this year's AGS as shown in the table above (with two being combined).

15. An action plan to address the four issues has been put in place and high-level progress against these actions will be reported to Audit and Governance Committee in January 2027.

16. There were also a series of other issues identified for possible inclusion in the AGS. Whilst these were undoubtedly issues for the Council, they did not meet the Council's significant governance issue criteria, for example, they may be significant risks to the Council but not directly governance related, they may have been governance weaknesses, but in a relatively narrow scope of the Council's business, or they may have been operational concerns rather than governance issues. Consequently, these issues were not included as significant governance issues on the AGS statement. Some of these are shown below (not an exhaustive list) as follows:

    - Unregistered Placements
    - Financial Monitoring
    - Information Governance
    - Equality & Diversity Governance Framework

17. During 2025/26, governance concerns in relation to FuturePlaces and Carter's Quay have been in the spotlight. Whilst these are not highlighted as 'significant governance issues' (as they were not 'live' governance issues during 2025/26), Audit & Governance Committee has received reports incorporating lessons learned and any actions required to improve governance matters, which are either complete or on-going.

18. This strong focus on governance and improvement reflects the Council's objective to deliver its priorities with openness and transparency and to improve the Council's financial sustainability.

BCP Council – Local Code of Governance

19. The BCP Local Code of Governance is reviewed annually to reflect the evolution of the Council's governance arrangements. Only very minor amendments were required this year. However, the Council's Assurance Framework, approved by Audit & Governance Committee in January 2026, has been incorporated to enhance the document. The revised version is attached at Appendix 2 for approval.

Options Appraisal

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

Summary of financial implications

20. The AGS is part of the annual Statement of Accounts and is reviewed by Grant Thornton, the External Auditor, to ensure it is consistent with their understanding of the organisation. Consequently, failure to produce an AGS and / or failure to properly disclose any matter known to the organisation would be reported by Grant Thornton.

21. Grant Thornton will reflect on the council's AGS in drawing its value for money conclusion for 2025/26 as part of their annual report to this committee.

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

27. There is a risk that failure to prepare the Annual Governance Statement in line with proper practice would breach the requirements of the Accounts and Audit Regulations 2015.

28. If timely actions are not taken to address the issues in the Action Plan arising from the AGS, then there is a risk that the Council's governance arrangements may not be adequate or consistent with good practice.

Background papers

None

Appendices

Appendix 1 – BCP Council AGS 2025/26
Appendix 2 – Local Code of Governance (July 2026 update)

Appendix 1

BCP Council

Annual Governance Statement

2025/26

July 2026 – Draft for inclusion in Statement of Accounts

Executive Summary

This statement explains how BCP Council has complied with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2025)* which are embodied in its Local Code of Governance.

Following review and evaluation of governance arrangements, BCP Council considers that, **for the year ended 31 March 2026 and to the date of the publication of the Statement of Accounts, it has effective, fit-for-purpose governance arrangements in place in accordance with the governance framework**.

Whilst the overall governance framework is considered sound, the review identified the following four significant governance issues, for which agreed actions are in place:

- Dedicated School Grant (DSG) and Special Educational Needs and Disability (SEND) Services
- Councillor Mandatory Training
- Council Owned Companies
- Corporate Asset Management

In addition to the above, the Council is committed to continual strengthening of its governance, for example, though actions to improve governance of Unregistered Placements, Information Governance and Equality & Diversity Governance Framework. Lessons learnt from FuturePlaces and other projects are being used to identify any governance improvements required.

Particular focus for 2026/27 is ensuring governance arrangements respond to the increasingly challenging financial situation, allowing the Council to continue to meet its statutory requirements, deliver essential services and objectives. In conjunction with this, senior management have begun implementing enhanced performance reporting through the Performance Corporate Management Board (CMB) meetings, which focus on performance and risk.

We are satisfied that the review of the effectiveness of the governance framework has been undertaken in line with the principles of *Delivering Good Governance in Local Government* and has been approved by the Audit and Governance Committee.

We confirm that the evaluation of governance arrangements and significant governance issues identified align with our understanding of the organisation. We are satisfied that the proposed actions will address the significant governance issues identified and that arrangements are in place to deliver, monitor and report progress.

We are pleased that the Council's governance framework facilitates continuous improvements to governance arrangements where required.

Chief Executive of BCP Council

Date

Leader of BCP Council

Date

Scope of Responsibility

1 BCP Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and used economically, efficiently and effectively.

2 In discharging this overall responsibility, BCP Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arranging for the management of risk.

3 To this end, BCP Council has adopted a Local Code of Governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2025)*. A copy of this Local Code is available on the Council's website.

4 The Annual Governance Statement (AGS) explains how BCP Council complied with the Code and met the requirements of the Accounts and Audit Regulations 2015 (as amended) in relation to its preparation, approval and publication.

The Purpose of the Governance Framework

5 The governance framework comprises of the systems and processes, culture and values by which the authority is directed and controlled, and by which it accounts to, engages with and leads its communities. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether those objectives led to the delivery of appropriate services and value for money.

6 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It does not eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives; to evaluate the likelihood and potential impact of those risks being realised; and to manage them efficiently, effectively and economically.

7 The key elements of the Council's governance framework are identified in the Local Code of Governance which is consistent with the seven best practice principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016/2025) as shown in the diagram below:

8 BCP Council's governance framework was in place for the year ended 31 March 2026 and up to the date of the approval of the Statement of Accounts.

Review of Effectiveness of the Governance Framework

9 BCP Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including how it meets the principles above and the effectiveness of the system of internal control. This includes how its vision, priorities and ambitions, as articulated in the corporate strategy "A shared vision for Bournemouth, Christchurch and Poole", are delivered, effectiveness of decision making, and governance of partnerships and group entities.

10 The AGS is the method by which we record the outcome of this review. The AGS also includes the Council's group entities as identified in its Statement of Accounts.

11 As part of the review, the Council considers both in-year, continuous elements and year-end review processes.

12 Many of the elements identified in the Local Code of Governance provided on-going review of the effectiveness of the governance framework during the 2025/26 financial year including:

- Democratic processes, such as Full Council, Cabinet, Overview and Scrutiny functions, which operated in line with the Council's Constitution.
- The Audit and Governance Committee, which provided independent assurance to the Council on the effectiveness of governance arrangements, risk management and the internal control environment. An annual report is produced to provide assurance as to the way in which Audit & Governance Committee have discharged its role.
- Established arrangements for senior officers to meet as part of Corporate Management Board, Corporate Strategy Delivery Board and Directors Strategy Group.
- Statutory Officers Group, comprising of the Chief Executive, Monitoring Officer and Chief Financial Officer, met regularly throughout the year. The Head of Audit & Management Assurance also attended these meetings.
- The role of the Chief Financial Officer (CFO) in terms of non-statutory codified professional practice, legislative and statutory responsibilities, and corporate governance requirements is set out in the Council's Constitution. The Council's financial management arrangements conformed to the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2016). The Director of Finance is designated as the Council's CFO.
- Substantial compliance with the Financial Management Code with actions in place to address the remaining issues.
- The Council's assurance arrangements also conformed to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). The Head of Audit & Management Assurance was designated as the Council's Head of Internal Audit.
- The Director of Law & Governance has been designated as the Monitoring Officer, whose functions include a duty to keep under review the operation of the Constitution to ensure it is lawful, up to date and fit for purpose.
- Review of and changes to the Constitution following the work of the Constitution Review Working Group and Monitoring Officer.
- Arrangements to achieve value for money, including procurement arrangements set out in Financial Regulations
- Performance Management Framework to support delivery of the Council's objectives
- The Council reached a good level of performance against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This means the organisation has put in place effective arrangements across many aspects of the counter-fraud code and undertook positive action to manage its risks.

- Internal Audit, who provided an independent appraisal function and assurance on the adequacy of internal controls and of risks to the Council's functions and systems.
- External Audit, to whom the Council provides support, information and responses as required, and ensures findings and recommendations are appropriately considered.
- Regular scrutiny of financial monitoring reports by Councillors and Officers.
- External reviews and inspections, the results of which are reported and acted upon as appropriate. These included, for example:
    - Regulator of Social Housing - Regulatory Judgement;
    - Ofsted/Care Quality Commission – Area SEND Inspection;
    - Adult Social Care Inspection.

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

- Completion of Management Assurance Statements by all Service Directors;
- Internal documentation and reports;
- Chief Internal Auditor's Annual Report and supporting evidence;
- Findings from internal and external reports; and
- Follow up of the 2024/25 AGS action plan.

Evaluation, Conclusion and Significant Governance Issues

14 Following review and evaluation of governance arrangements, BCP Council considers that, **for the year ended 31 March 2026 and to the date of the publication of the Statement of Accounts, it has effective, fit-for-purpose governance arrangements in place in accordance with the governance framework**.

15 The Council's Corporate Management Board (CMB) considered the effectiveness of the governance arrangements, including potential significant governance issues arising from the review, using the following criteria as a guide:

a) The governance issue may, or has, seriously prejudice/d or prevent/ed achievement of a principal Council objective or priority;

b) The governance issue may, or has, result/ed in a need to seek additional funding to allow it to be resolved, or may, or has, result/ed in a significant diversion of resources from another service area;

c) The governance issue may, or has, led to a material impact on the accounts;

d) The impact of the governance issue may, or has, attract/ed significant public interest or seriously damage/ed the reputation of the Council;

e) The governance issue may, or has, be/en publicly reported by a third party (e.g. external audit, Information Commissioner's Office) as a significant governance issue;

f) The governance issue may, or has, result/ed in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

16 Overall governance arrangements are considered sound. The Council has a desire and a duty to improve governance arrangements. As a result, CMB determined that the following were governance issues in 2025/26 requiring improvement:

- Dedicated School Grant (DSG) and Special Educational Needs and Disability (SEND) Services
- Councillor Mandatory Training
- Council Owned Companies
- Corporate Asset Management

An action plan is shown on Table 1. Progress against the plan will be monitored and reported to Audit & Governance Committee.

17 The status of the three significant governance issues identified in the 2024/25 AGS is shown in the table below.

	Significant Governance Issues - 2024/25	
1	Dedicated School Grant (DSG)	Whilst the government has announced plans to provide funding to cover 90% of deficits on the approval of the local area's SEND Reform Plan, this remains a significant governance issue and has been merged with the SEND issue below.
2	Department for Education (DfE) 'Statutory Direction' for special educational needs and disability services (SEND)	Improvements have been made and acknowledged through the Ofsted Inspection; the statutory direction is being lifted and replaced with a short-term improvement notice focused on DfE approval of the local SEND Reform Plan. However, this remains a governance issue and has been merged with the DSG issue above.
3	Member Mandatory Training	Whilst minor improvements have been made, this remains a governance issue.

18 Other issues were identified for possible inclusion in the AGS; whilst these were undoubtedly issues for the Council, they did not meet the Council's significant governance issue criteria. For example, they may be significant risks or operational issues, but not directly governance related. These include the below and where appropriate, actions are underway to address these:

- **Unregistered Placements** - A more structured approach to assurance over the use of unregistered placements in Children's Services will be introduced following a review of current arrangements. A review will be undertaken by the Director of Commissioning, Resources and Performance by September 2026
- **Financial Monitoring** - In response to the continued challenging financial position of the Council, governance arrangements have been enhanced by introducing monthly budget monitoring reports to CMB monthly (up from quarterly)
- **Information Governance** – there are concerns regarding the Council's capacity and governance to keep pace with the increasing demand and complexity of

information governance (such as level of FOI requests); during 2025/26, overall response rates have been below the statutory target, and three complaints to the ICO were partially upheld. A review of the Information Governance function, including appointment of a permanent Data Protection Officer, is to be undertaken.

- **Equality & Diversity Governance Framework –** the Equality & Diversity Governance Framework no longer fully operates as described; however, it is currently being updated to reflect changes in legislation and organisational structure. This review is being led by the Head of Policy, Performance and Strategy, supported by People and Culture and working with the Service Unit Equalities Champions and Staff Network Groups.

19 During 2025/26, governance concerns in relation to FuturePlaces and Carter's Quay have been in the spotlight. Whilst these are not highlighted as 'significant governance issues' (as they were not 'live' governance issues during 2025/26), Audit & Governance Committee has received reports incorporating lessons learned and any actions required to improve governance matters, which are either complete or on-going.

20 Improvements to governance have continued to be made during the year. These include continuous improvements, for example, through the update and review of Council policies and implementation of Internal Audit recommendations. During the year, a revised Risk Management Policy which includes Enterprise Risk Management, was approved.

Forward Look on Governance

21 The Council is committed to continual strengthening of its governance arrangements, in response to changing needs and developing risks. Looking ahead to 2026/27, in addition to the actions identified above, the following areas will bring improvements to the Council's governance, however, this is not exhaustive and the Council will respond when new areas of risk emerge.

22 Audit & Governance Committee continue to seek assurance and improvements regarding governance, for example, the 2026/27 Forward Plan identifies areas such as the below for detailed examination:

- Governance of Regeneration Projects
- Risk Management Policy
- Council Owned Companies
- Artificial Intelligence – Governance & Risk

23 Particular focus for the coming year is ensuring governance arrangements respond to an increasingly challenging financial situation, to allow the Council to continue to meet its statutory requirements, deliver essential services and objectives. This includes introduction of the 'traffic light' system.

24 In conjunction with this, senior management have begun implementing enhanced performance reporting programme through the monthly Performance Corporate Management Board (CMB) meetings, which focus on performance and risk, with Strategic CMB meetings looking at long-term opportunities and risk, and a weekly CMB stand-up addressing immediate issues.

25 Regular review of the Council's Risk Registers will also help identify areas where governance arrangements need updating.

26 The programme for managing BCP Council's needs and aspirations for Devolution is now mobilised, which will feed into and support our position in the Wessex Devolution conversation.

27 Plans are also in place to respond to the areas of improvement identified in the Adult Social Care CQC report.

Table 1 - 'Significant Governance Issues' and Action Plan

1	**Designated School Grant (DSG)** & **Special Educational Needs and Disability (SEND) services** Whilst the DSG deficit continues to increase to a predicted £183.1m by 31 March, the government has announced plans to write off 90% of accumulated deficit. However, this is contingent on government agreement of a local SEND reform plan. The remaining 10% will continue to grow until 2028. An Ofsted inspection was carried out in November 2025 which confirmed significant improvements in the position. The SEND and Alternative Provision improvement plan is being revised following the publication of the report in February 2026.		
	Action Points	**Responsible Officer**	**Target Date**
	Produce robust local SEND and Alternative Provision reform / improvement plan and achieve government agreement	Corporate Director of Children's Services, Chief Executive & Director of Finance	September 2026
	Monitor and report delivery of SEND plan to ensure remaining improvements are met as required	Corporate Director of Children's Services	As per SEND Reform Plan
	Review of expenditure and budget controls to ensure robust financial management	Corporate Director of Children's Services, Chief Executive & Director of Finance	On-going March 2027

2	**Councillor Mandatory Training** – despite encouragement to undertake training, mandatory training completion rates for councillors remains lower than expected with little improvement over the last year.		
	Action Points	**Responsible Officer**	**Target Date**
	Councillors will be reminded of the importance of undertaking all mandatory training as required.	Monitoring Officer Director of IT & Programmes	September 2026
	Consequences of non-completion with mandatory training to be determined and rolled out to councillors (such as removal of IT equipment, reports to Standards Committee) and consideration given to publication of training records.	Monitoring Officer Director of IT & Programmes	September 2026

3	**Council Owned Companies –** a range of governance concerns in some of the Council owned companies have emerged over a number of years. These include the current lack of a permanent company secretary, role and liabilities of directors, and governance improvements recommended in previous internal reviews and external audits.		
	Action Points	**Responsible Officer**	**Target Date**
	Undertake a review of the purpose, operation and governance arrangements of the Council owned companies	Chief Operations Officer	October 2026
	Produce an action plan to respond to any recommendations which arise from the review (and implement the relevant recommendations approved by the A&G Committee in relation to the review of FuturePlaces, applicable to wider BCP Council owned companies)	Chief Operations Officer	November 2026

4	**Corporate *Asset Management –** The Council does not have a strategy or financial plan to address concerns over deteriorating corporate asset conditions, including those impacting health and safety. *(This does not include Council Housing Stock Management)		
	Action Points	**Responsible Officer**	**Target Date**
	Undertake review of corporate assets to identify conditions and in particular highlight any health & safety risks	Chief Operations Officer	October 2026
	Produce and resource an action plan which prioritises maintenance and improvement works necessary to ensure health & safety and other requirements, such as efficient use of assets, are met.	Chief Operations Officer	February 2027

This page is intentionally left blank

LOCAL CODE OF GOVERNANCE

Finance, Estates and Benefits

Author: Ruth Hodges, Deputy Chief Internal Auditor

Date: 30 July 2026

1. Introduction

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

2. What is Corporate Governance?

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

3. Responsibilities for Corporate Governance

3.1 All councillors and officers have a responsibility for upholding the principles of good governance. It is a key responsibility for the Leader of the Council and the Chief Executive.

3.2 The Statutory Officers Group, comprising of the Monitoring Officer, the Chief Financial Officer and the Chief Executive are responsible for the development, delivery and review of robust corporate governance arrangements.

3.3 The Audit & Governance Committee has responsibility for monitoring and reviewing the Council's corporate governance arrangements.

3.4 The Chief Auditor produces an Annual Report to Audit & Governance Committee on the adequacy and effectiveness of the Council's systems of internal control.

3.5 The Annual Governance Statement is produced following a review of the effectiveness of the Council's corporate governance arrangements, as outlined in this Code. Any significant governance weaknesses are highlighted, and an action plan produced to address these issues, and monitored by the Audit & Governance Committee.

4. The Governance Framework

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

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)

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

5. How BCP meets the Principles of Good Governance

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

	Anti-Fraud and Corruption Policy
	Whistleblowing Policy
	Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption
	Regulation of Investigatory Powers Act (RIPA) Policy and compliance
	Contractual arrangements
	Partnership Registers / Partnership Agreements
	Corporate Values
	Staff Surveys
	Local Plan / Local Development Scheme
	People and Culture Strategy
	Council Operating Model
	Agreements with subsidiaries, partners, and external providers
	Procurement and Contracts Board

(B) Ensuring openness and comprehensive stakeholder engagement	Multi-channel public communications, including: email newsletters, BCP website, magazines, Facebook and X Proactive publication and reporting Local Government Transparency Code 2015 Responses to Freedom of Information and Subject Access Requests Online Council Tax information Corporate Strategy Decision making process for Committees and Members Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests) Record of Officer decisions Record of Chief Executive's Delegated Authority decisions Corporate Complaints Procedure Social Care Statutory Complaints Procedure Public/residential surveys, including online Key national and local data Consultation Planning and Guidance • Public and officer consultations • Staff surveys • Local Forums Internal Communications Media Relations Protocol Branding Guidelines Social Media Guidance Partnership Registers / Partnership Agreements Neighbourhood Plans Statement of Community Involvement

(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	Corporate Strategy Medium Term Financial Plan process Performance Monitoring Framework • Service business and action plans • Service performance monitoring • Corporate performance monitoring Consultation Planning and Guidance • Public and officer consultations • Staff surveys • Local Forums Risk Management Framework Capital Investment Strategy Decision making process for Committees and Members Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests) Record of Officer decisions Record of Chief Executive's Delegated Authority decisions Equality and Diversity Policy and Governance Framework Performance Corporate Management Board Strategic Corporate Management Board Directors Strategy Group Capital Briefing Board Corporate Property Group Local Plan Contractual arrangements Partnership Registers / Partnership Agreements

(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	Decision making process for Committees and Members Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests) Record of Officer decisions Record of Chief Executive's Delegated Authority decisions Performance Monitoring Framework • Service business and action plans • Service performance monitoring • Corporate performance monitoring Medium Term Financial Plan process Risk Management Framework Corporate Strategy Benchmarking and research Capital Investment Strategy (Non-Treasury) 2020-2025 Youth Justice Plan Council Safeguarding Strategy Pan-Dorset Safeguarding Children Partnership Corporate Strategy Delivery Board Equality Impact Assessment (EIA) Panels and EIA processes Corporate Parenting Board Health & Wellbeing Board Procurement and Contracts Board

(E) Developing the entity's capacity, including the capability of its leadership and the individuals within it	Performance Monitoring Framework • Service business and action plans • Service performance monitoring • Corporate performance monitoring Benchmarking and research People and Culture Strategy Role profiles for all employees Roles of Cabinet, individual Cabinet Members and all other Members and Committees defined Roles of statutory officers (Chief Executive, Chief Financial Officer and Monitoring Officer) and other senior officers defined Member-Member, and Member-Officer Protocols Scheme of Delegations to Officers The Constitution Member induction programmes and training plans Officer induction programmes Mandatory training and learning including data protection, cyber, equality diversity & inclusion, fraud awareness, understanding of safeguarding Performance Review Policy Standards Committee Councillor Development Framework Public/residential surveys, including online Key national data Consultation Planning and Guidance • Public and officer consultations • Staff surveys • Local Forums Corporate and HR policies and procedures, including those to support health and wellbeing ICT guidance and processes Peer Reviews and Inspections Pay and Reward including Terms and Conditions Workforce Strategy for Children's Services Health & Safety & Wellbeing Policy

(F) Managing risks and performance through robust internal control and strong public financial management	Risk Management Framework Performance Monitoring Framework • Service business and action plans • Service performance monitoring • Corporate performance monitoring Corporate Complaints Procedure Benchmarking and research Overview and Scrutiny Committee/s Internal Audit Charter operating to Public Sector Internal Audit Standards (PSIAS) Risk-Based Annual Audit Plan and Key Assurance Work Chief Auditors Annual Report Anti-Fraud and Corruption Policy Whistleblowing Policy Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption Annual Governance Statement Audit & Governance Committee Information Governance Accountability Framework Medium Term Financial Plan process Financial Regulations Regular scrutiny of financial monitoring reports by Councillors and Officers Corporate Strategy & Delivery Plan Treasury Management Strategy Decision making process for Committees and Members Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests) Record of Officer decisions Equality Impact Assessment (EIA) Panels and EIA processes Record of Chief Executive's Delegated Authority decisions Corporate and HR policies and procedures Health & Safety Policy / Fire Safety Policy and associated governance (including H&S Board, Safety Supporters Forum and Service and Team based meetings Emergency planning and resilience arrangements (corporate) Compliance with the Statement of the Role of the Chief Financial Officer in Local Government Procurement and Contracts Board

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

6. How BCP ensures Good Governance is delivered in practice

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

6.2 At BCP Council, the Three Lines model is used as the basis for the Assurance Framework, which is agreed annually at Audit & Governance Committee. The Assurance Framework is shown below, together with a brief explanation of the functions of each "line".

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

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

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

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

External Providers: BCP Council obtains assurance from a wide range of external providers, many of them statutory, as illustrated on the Assurance Framework.

Member Oversight: Member oversight is provided by through a range of Council committees as defined by the Constitution.

BCP COUNCIL ASSURANCE FRAMEWORK 2026

COUNCIL

Audit & Governance Committee Annual Report

AUDIT & GOVERNANCE COMMITTEE

AGS - REVIEW OF EFFECTIVENESS OF GOVERNANCE FRAMEWORK

Management				Internal Audit	External Assurance Providers	Member Oversight
Assurance Function	First Line Assurance	Second Line Assurance		Third Line Assurance	- External Audit - Reviews & Inspections - Regulatory Bodies - Benchmarking	- Audit & Governance Committee - Overview & Scrutiny Committees Cabinet/Council
		Corporate advice & compliance	Corporate Oversight			
Asset Management	**Directors and managers**	Finance, Estates & Benefits; Housing & Public Protection; Customer & Property Operations	Corporate Property Group (CPG); Capital Briefing Board; Corporate Management Board (CMB)	**Chief Internal Auditor annual conclusion on the Council's governance, risk management and control arrangements**	External Audit (Grant Thornton - GT) * Social Housing Regulator Care Quality Commission	Cabinet/Council (acquisitions/disposals)
Business Continuity		Finance, Estates & Benefits	Resilience Governance Board; Resilience Forum; CMB		Outsourced Business Continuity, ICT inspections	Audit & Governance Committee (annual report)
Business Planning and Performance Management		Marketing, Comms & Policy	Various – including Performance CMB; Children's Services (SEND) Improvement Board; Planning Improvement Board; CMB; Children & Young People's Partnership Board; Performance and Quality Executive Board for ASC		Local Government and Social Care Ombudsman (complaints) Housing Ombudsman Service (complaints) Peer Review	Cabinet/Council (annual performance report)
Counter Fraud		Finance, Estates & Benefits	Statutory Officer Group (SOG)		National Fraud Initiative (NFI) annually	Audit & Governance Committee (annual report and quarterly updates)
Ethics		People & Culture. Finance, Estates & Benefits, Law & Governance and all other services	Statutory Officers Group Standards Committee; CMB (mandatory training/performance management)		Unions External Audit (GT) *	Standards Committee Audit & Governance Committee (Whistleblowing and Declaration of Interests reports)

Financial Management		Finance, Estates & Benefits	Corporate Management Board		Financial Conduct Authority Prudential Regulation Authority External Audit (GT) *	Cabinet/Council (Quarterly MTFP update and budget and financial outturn) Audit & Governance Committee (VFM, Treasury management quarter update)
Fire Safety		Customer & Property Operations	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		Fire Safety Inspections Building Safety Regulator	Audit & Governance Committee (annual report)
Health & Safety (H&S)		Finance, Estates & Benefits	Health & Safety & Fire Safety Board; Safety Supporters Forum; CPG		H&S Executive (inc. unannounced inspections) Building Safety Regulator	Audit & Governance Committee (annual report)
Human Resources		People & Culture	Directors Strategy Group (DSG); CMB		Unions Teaching Regulation Agency Healthcare Professional Regulators Legal Services Regulators	Cabinet/Council as required, e.g. Pay & Reward, Performance Framework
ICT		IT & Programmes	IT & IS Infrastructure Board; Information Governance Board (IGB); CMB		Public Services Network (PSN) NCSC	Corporate Risk Management, Overview & Scrutiny, Cabinet/Council as appropriate
Information Governance		Law & Governance	Information Governance Board		Information Commissioner	Audit & Governance Committee (annual report)
Partnerships		Marketing, Comms & Policy	Various – including service/partnership specific boards e.g. BCP/BH Live Strategic Partnership Board; Children's and Young Peoples Partnership Board; CMB			Health & Wellbeing Board Lower Central Gardens Trust Board Russell Cotes Art Gallery and Museum Management Committee
Procurement		Finance, Estates & Benefits	Procurement & Contracts Board		Procurement Review Unit (PRU) part of the Cabinet Office (enhanced role following the Procurement Act 2023)	Audit & Governance Committee (ad hoc reports/deeper dives)
Project & Programme Management		IT & Programmes	Performance CMB; Infrastructure Board; Project specific boards			Project Committees /Boards as appropriate
Risk Management		Finance, Estates & Benefits	DSG; CMB		External Audit (GT) *	Audit & Governance Committee (quarterly update reports)

Safeguarding		Adult Social Care; Children's Services	Safeguarding Boards (Adults & Children's which include independent scrutineers); CMB		Care Quality Commission; Ofsted; Child Safeguarding Practice Review Panel Social Work England	Children's Services Overview & Scrutiny Committee Was the Improvement Board, going forward it will be the Children and Young Peoples Partnership Board Health & Adult Social Care Overview & Scrutiny Committee
Sustainable Environment		Marketing, Comms & Policy Environment	Overall arrangements currently in development; CMB		Environment Agency (EA) and Office for Environmental Protection (OEP)	Environment & Place Overview & Scrutiny Committee (Sustainability)

*It is not the External Auditor's (Grant Thornton) primary role to provide assurance on the adequacy of key assurance functions. Nevertheless, through their auditing of the statement of accounts and in providing their value for money opinion, a form of external assurance exists across a number of functions, most notably those marked with an asterisk.

Document Control

Policy title	Local Code of Governance
Policy owner	Head of Audit & Management Assurance
Effective from date	1st April 2019 (Original BCP Council Local Code of Governance, thereafter subject to annual evolution)
Current version	V3.0
Approval body	Audit & Governance Committee
Approval date	30 July 2026
Review frequency	Annually
Next review due	July 2027

Revision History

Date	Version	Significant Changes
February 2019	v1	New BCP Council Policy created
October 2019	V2.2	Update to reflect the rapid changes in the new BCP Council and add in Section 6
November 2020	V2.3	Update to reflect ongoing changes in BCP Council governance framework
June 2021	V2.4	Update to reflect ongoing changes in BCP Council governance framework; Three Lines Model updated in line with best practice
July 2022	V2.5	Update to reference new policies implemented in 2021/22, including the Talent and Performance Enablement Policy
June 2023	V2.6	Minor updates – inclusion of Nolan Principles, Transparency Code & FOI/SARs, further details for a number of areas, deletion of reference to Big Plan & Smarter Structures
June 2024	V2.7	Minor updates – removal of now defunct policies and strategies to ensure evidence base remains relevant.
June 2025	V2.8	Minor updates – removal of now defunct policies and strategies and addition of Procurement and Contracts Board and Corporate Strategy Delivery Board to ensure evidence base remains relevant.
July 2026	V3.0	Added the BCP Council Assurance Framework to replace the generic 3-line model. Minor updates such as update name of Capital Briefing Board, CMB arrangements

Minor Amendments and Editing Log

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

Date	Description of amendments or editing	Page
-	-	-

Equalities Impact Assessment

Assessment date – July 2026	No equality implications have been identified from a review of the changes made as part of the annual refresh of the Local Code of Governance (LCoG). Any changes to the policies signposted within the LCoG will be reviewed through their own individual EIAs.

This page is intentionally left blank

AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Forward Plan - For the 2026/27 municipal year**
Meeting date	30 July 2026
Status	Public Report
Executive summary	This report sets out the reports to be considered by the Audit & Governance Committee during the 2026/27 municipal year to enable it to fulfil its terms of reference.
Recommendations	**It is RECOMMENDED that:** **The Audit & Governance Committee approve the Forward Plan for 2026/27, as set out at Appendix A.**
Reason for recommendations	To ensure that the Audit & Governance Committee is fully informed of the reports to be considered during 2026/27.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Recommendation Decision

Background

1. Good practice dictates that the Audit & Governance Committee agrees a forward plan setting out the reports it expects to consider over the next 12 months.

The Forward Plan

2. A Forward Plan for 2026/27, set out at Appendix A, has been prepared to identify the reports expected to be considered by the Audit & Governance Committee and to enable it to fulfil its terms of reference.

3. The Audit & Governance Committee should note that the plan does not preclude extraordinary items being brought before the Committee in consultation with the Chair and Vice Chair as necessary and appropriate, thereby ensuring that committee business remains consistent with its terms of reference.

4. Topics requiring the Committee's consideration within its terms of reference may be added at any point during the year as they arise. These topics are generally shown in the 'Other Reports or Training Presentations' section of the Forward Plan, Appendix A, and depending on their nature are usually added to a meeting marked 'extra'. These additional reports and presentations are published as part of the relevant meeting papers and are available to the public

Options Appraisal

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

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

12. Development and agreement of the Forward Plan by the Audit & Governance Committee enables it to fulfil its terms of reference.

Background papers

None

Appendices

Appendix A – Audit & Governance Committee – Forward Plan 2026/27

APPENDIX A

Audit & Governance Committee – Forward Plan 2026/27

REPORT	28 MAY 2026 (extra)	16 JUL 2026 (extra)	**30 JUL 2026**	3 SEP 2026 (extra)	**15 OCT 2026**	26 NOV 2026 (extra)	**14 JAN 2027**	25 FEB 2027 (extra)	**25 MAR 2027**
EXTERNAL AUDITOR'S REPORTS									
External Auditor – Audit Plan 2026/27									✓
External Auditor – Audit Findings Report 2025/26						✓			
External Auditor – Auditor's Annual Report 2025/26						✓			
External Auditor – Audit Progress & Sector Update	✓				✓		✓		✓
External Auditor – Regaining Assurance Progress Report & Sector Update			✓						
ANNUAL REPORTS									
Statement of Accounts 2025/26						✓			
Draft Annual Governance Statement 2025/26 and Annual Review of Local Code of Governance (*1 update on Action Plan only*)			✓				✓[1]		
Chief Internal Auditor's Annual Opinion Report 2025/26			✓						
Annual Breaches of Financial Regulations Report & Procurement Decision Records (PDRs) 2025/26			✓						
Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2025/26			✓						
Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2025/26			✓						
Audit & Governance Committee Annual Report			✓						
Information Governance Update					✓				
Local Government and Social Care Ombudsman Annual Report 2025/26					✓				
Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2025/26					✓				
Emergency Planning & Business Continuity Update					✓				
Health & Safety Update					✓				
Fire Safety Update							✓		
Treasury Management Strategy Refresh/Approval for next financial year							✓		
Assurance Framework & Internal Audit Planning Consultation							✓		
Internal Audit Charter & Audit Plan - next financial year									✓
ANNUAL OR PERIODIC POLICY UPDATES									
Annual evolution of Policies for 2027/28: - Whistleblowing - Anti-Fraud and Corruption - Declaration of Interests, Gifts & Hospitality - Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA)								✓	
Financial Regulations - annual evolution for 2027/28								✓	
QUARTERLY / HALF YEARLY REPORTS									
Internal Audit - Quarterly Audit Plan Update			✓		✓		✓		✓
Risk Management – Corporate Risk Register Update			✓		✓		✓		✓
Forward Plan (refresh)			✓		✓		✓		✓
Treasury Management Quarterly Monitoring Report			✓		✓		✓		
Procurement and Contract Management Strategy Delivery Plan (6-monthly progress report)					✓				✓

OTHER REPORTS OR TRAINING PRESENTATIONS (These items may be deeper dive presentations rather than formal reports, as agreed by the Chair)									
Constitution Review Working Group – feedback and agreement of matters for Council approval				As required during the year					
Governance and processes of regeneration projects (with a focus on Carter's Quay)	✓			Possible consideration depending on external factors					
Appointment of Independent Members	✓		✓						
BCP FuturePlaces – final report incorporating responses to questions posed by the Committee to various individuals		✓							
Risk Management Policy (Children's Services corporate risks deeper dive)				✓					
Council Owned Companies Shareholder Governance (deeper dive)				✓					
Procurement and Contract Management - deeper dive into process for SMEs				✓					
Governance in relation to 'invest to save' decisions						✓			
Artificial Intelligence – Governance and Risk Management (update)						✓			
Governance of the Lower Central Gardens						✓			
Audit Committee – Best Practice Self Assessment						✓			