

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 20 March 2025 at 6.00 pm

Present:-

Cllr M Andrews – Chair

Cllr E Connolly – Vice-Chair

Present: Cllr S Armstrong, Cllr J Beesley, Cllr P Broadhead, Cllr M Phipps,
Cllr M Tarling, Cllr T Trent (In place of Cllr V Slade), Cllr C Weight
and Samantha Acton

Present virtually: Lindy Jansen Van-Vuuren

Also in attendance: Cllr S Bartlett, Cllr M Cox

80. Apologies

Apologies were received from Cllr V Slade.

81. Substitute Members

Notification was received that Cllr T Trent was substituting for Cllr V Slade for this meeting.

82. Declarations of Interests

In respect of the agenda item on Carters Quay, the Chair declared for transparency that his daughter rented a house at Carters Quay, he acted as a guarantor to the tenancy and visited the site from time to time.

In respect of the agenda item on BCP FuturePlaces Limited, Cllr M Tarling referred to a previous declaration he had made at an overview and scrutiny meeting, in that prior to becoming a BCP councillor he had been interviewed by FuturePlaces for a role in the organisation.

83. Confirmation of Minutes

The minutes of the meeting held on 27 February 2025 were confirmed as an accurate record for the Chair to sign.

84. Public Issues

The following public issues were received:

Public Questions, Agenda Item 6 – Review of BCP FuturePlaces Limited

Question 1 – Mr Alex McKinstry

On 10 March 2022, this Committee heard some assurances regarding FuturePlaces' governance. The company was said to be governed by "a suite of legal documents", including a commissioning contract with the Council (which was never actually finalised); a resources agreement (also never finalised); and a shareholder's agreement (which was finalised, but was breached in several respects). Additionally, the company was said to have been "allocated a senior auditor", and audits of the company "built into" the Council's internal audit workplan (https://www.youtube.com/live/SaC1LIZBROg?si=hxzr0d-oU_eNyWWho&t=1h8m9s). How frequently were these internal audits carried out; what concerns were identified - were the above governance shortcomings known about, for instance? - and if concerns were identified, with whom were they raised, and what remedial actions were attempted? Can we also be told whether the internal audit reports survive, as they could greatly aid an investigation?

Response:

Internal Audit completed two assignments during BCP FuturePlaces' operational period of just over two years, both assignments concentrating on governance-related matters. Firstly, Internal Audit facilitated a 2022/23/24 review of governance arrangements for Council companies including BCP FuturePlaces, evaluating client-side and entity-side controls against best practice guidance issued by Local Partnerships, an in-house public sector consultancy jointly owned by the LGA, HM Treasury and Welsh Government.

Issues were raised with relevant officers and the work was reported to the Audit & Governance Committee as part of the Chief Internal Auditor's annual report of 27th July 2023. The resulting Internal Audit Briefing Note was incorporated into the Corporate Director of Resources' report to Audit & Governance Committee of 11th January 2024, agenda item 8. The Council's decision to close the company in September 2023 meant that specific actions that may have been relevant to BCP FuturePlaces were superseded. By way of other resulting remedial actions, the Monitoring Officer's report to Cabinet on 2nd October 2024 set-out a detailed governance framework for Council-owned companies to take account of lessons learned following the closure of BCP FuturePlaces, including establishment of a Shareholder Advisory Board and a Shareholder Operations Board and provision of Guidance for Councillors and Officers appointed to Outside Bodies. Secondly, Internal Audit coordinated the gathering of assurance work and evidence base for the production of the Annual Governance Statement (AGS) for 2022/23 and 2023/24. This work culminated in BCP FuturePlaces governance arrangements featuring as a significant governance issue in the 2022/23 AGS. An action plan was reported and agreed by the A&G Committee on 27th July 2023, agenda item 16. The action plan was implemented during 2023.

All Internal audit reports are retained for a period of 6 years.

Question 2 – Mr Alex McKinstry

As stated in Appendix 1 (portfolio-holder decision record, May 2022): the FuturePlaces finances were restructured in 2022, and an £8,000,000 loan allocated to the company. At the Place Overview and Scrutiny Committee, 16 June 2022, an officer explained that this £8,000,000 consisted of Public Works Loan Board borrowing, and was being borrowed by the Council and "on-lent" to the company at a commercial rate (https://www.youtube.com/live/8wlXgrZ3K5M?si=hVsUL_ut-ZZLTejN&t=22m14s). However, enquiries of the UK Debt Management Office reveal no PWLB borrowing by BCP Council during the whole of 2022. What, then, was the source of this £8,000,000; and if it derived from the three PWLB loans taken out in 2021 (totalling £42,000,000), what was the justification for reallocating any part of this sum to FuturePlaces, as I thought the 2021 borrowing was for Carter's Quay?

Response:

BCP Council's actual external borrowing, be that from the Public Works Loan Board (PWLB) or other sources, is based on the overall Treasury Management cash position of the authority and is set out in detail in the quarterly reports to Audit & Governance Committee. Individual external loans for specific schemes and business cases although assumed are not normally undertaken. Therefore, any funding loaned to BCP FuturePlaces Ltd would have been managed as part of the overall internal cash balance held at that time by the Council and then lent to the subsidiary at a commercial rate.

Question 3 – Mr Alex McKinstry

Would it be logistically possible - no matter how time-consuming - to extricate emails from former councillors, former officers and former FuturePlaces staff dating back to 2021, when FuturePlaces was incorporated? Would these emails in theory survive, in 2025, on the Council's central IT system? (The position is complicated by the fact that FuturePlaces seems to have had its own email domain - "@bcpfutureplaces.co.uk" - as revealed in a few surviving LinkedIn and Indeed references.)

Response:

Yes and yes.

Public Questions, Agenda Item 7 – Carters Quay

Question 1 – Mr Alex McKinstry

The report for Item 7 states the Council began discussions with Inland Homes to acquire Carter's Quay (Phases 4-6) in 2021, and the matter was considered by the Council's "asset investment panel" that August. There are no clues however as to who came up with the initiative - nor in the Cabinet papers of 1 September 2021, which simply described the proposed acquisition as "an opportunity". Is there anyone still around who can recall who first came up with the idea of acquiring this site - i.e. who approached whom?

Response:

Inland Homes approached the Council.

Question 2 – Mr Alex McKinstry

Who sat - or who is likely to have sat - on the Council's "asset investment panel" in 2021, and are any notes or minutes likely to survive?

Response:

This was a hybrid advisory panel with representatives including the Leader (Cllr Drew Mellor) and the Deputy Leader (Cllr Broadhead) at the time and officers from legal, finance and regeneration.

Statements, Agenda Item 6 – Review of BCP FuturePlaces Limited:

Statement 1 – Ian Redman

FuturePlaces lost more than £5million in just 2 years.

At Full Council in November 2023, the then Leader Councillor Slade hoped Councillor Andrews and this committee would review what happened. Almost 18 months later, this committee is having an “overview” of what happened.

That is a scandalous waste of time and an indication that this administration does not take this seriously. This has all the hallmarks of a cover-up.

In the private sector, an investigation into a million pound failure would have been completed within days, not years.

Losing £5 million could be due to negligence, incompetence or possibly even fraud or corruption.

Residents have a right to know. Councillors should know.

A suggestion, have a quick, light touch, external investigation, followed by a more detailed investigation if evidence of malpractice is detected.

Statement 1 – Alex McKinstry

There are so many unanswered questions surrounding FuturePlaces, entire micro-investigations could be devoted to the more perplexing issues. To take the staff bonuses, for instance, which totalled £110,476. These can be criticised on several fronts - exorbitance, or the fact that the 2022 bonuses were paid when the company hadn't seen one outline business case approved. But having studied all Council agenda papers re FuturePlaces - including exempt appendices, released under FOI - it transpires that no bonus scheme, or payment, was ever referred to (or approved by) full Council. This clearly breached Reserved Matters 39 and 40 of the shareholder's agreement. There were other breaches of the agreement too, and it is extraordinary that these took place when the then-leader and deputy leader of the Council, statutory officers, internal audit, and the company's own managing director, all had the company's governance within their respective purviews.

Statement 2 – Alex McKinstry

Separate enquiries are necessary regarding FuturePlaces' accommodation. The company paid zero rent for its original base, Poole Civic Centre annexe. When that building was decommissioned, the board, chaired by Cllr Broadhead with two statutory officers present, resolved to rent private offices at £54,000 a year. The freehold and rent-receiving companies both

had a connection with a separate company, now dissolved, which had been pressing Mellor's Cabinet to purchase St Stephen's Church Hall for a homeless hub in 2021. This may have been declared, and deemed sound. It may be, too, that Cllr Mellor sought officers' advice before assuming sole directorship of the rent-receiving company on 5 May 2023. What remains unfathomable is FuturePlaces' decision to commit to paying £54,000 annual rent on 18 July 2022 - three days after Council applied for a £75,900,000 Government bailout, and when free Council office space was available.

Statement 3 – Alex McKinstry

Finally, there is the matter of disclosure. Graham Farrant observed, in September 2023, that access to reports and information had been "a point of tension" with FuturePlaces for eighteen months, while Ian O'Donnell found that "information was not shared, or not shared in a timely way". Another resident's FOI, meanwhile, suggests that documents were being kept in draft: of the 27 reports into Holes Bay commissioned by the company, 21 remained in draft. We need to know why, in 2024, a final settlement of £2,691,704.99 was paid for FuturePlaces' work, especially if much of it was in draft only; and, as the withholding of information breached 3.1.5 and 3.3 of the shareholder's agreement, we need to know what can be done, realistically, when a company persists in contravening its own governance protocols.

85. Review of BCP FuturePlaces Limited

The Chair invited the Chief Financial Officer to clarify a point made in a public statement that 'FuturePlaces lost more than £5million in just 2 years'. He referred to the Cabinet report of February 2024 on Budget Monitoring 2023-24 at Quarter Three. This advised that FuturePlaces was projected to repay £2.38m of the £4.75m outstanding debt principle, with £2.37m of debt remaining to be written off against the £4m provision detailed in the report.

The Monitoring Officer (MO) 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. To assist in scoping its investigation into BCP FuturePlaces Limited, the Committee had requested an independent and objective overview of the company. The report provided information relating to the chronology of the Council's decision making and approach to shareholder governance in relation to FuturePlaces, the governance documents which had been published and the agenda and minutes of FuturePlaces Board meetings. The report set out options available to the Committee and highlighted factors to be considered when agreeing a way forward.

It was noted in the report that a business case and Cabinet approval would be needed to fund certain options as there was no allocated budget. The Chair invited the Portfolio Holder for Finance to comment on the likelihood of funding being approved. The Portfolio Holder referred to the history of FuturePlaces and acknowledged the concerns raised. He highlighted one or two areas where further work could be done to ensure mistakes were not repeated and certain allegations dealt with. However, he could not support

the funding of a costly external investigation into an issue which was now so political and where most information was already publicly known. Instead, he suggested that an internal working party of independent persons/non-aligned members be established within existing resources supported by Internal Audit.

The Chair invited the Independent Persons (IPs) to comment on this suggestion. They raised a concern about personal indemnity and pointed out that fraud was the responsibility of the Council as a whole to investigate. They reminded members that the Committee should be acting apolitically. Their active involvement in an investigation may conflict with their role in providing oversight. The Monitoring Officer advised that there was no open investigation of fraud in relation to FuturePlaces according to Dorset Police. It was noted that the IPs were covered by the Council's indemnity insurance when undertaking approved council business. The Portfolio Holder confirmed that he had contacted the IPs with his suggestion in advance of the meeting but had then left them to discuss it in private.

Some members did not feel it would be appropriate for an investigation into FuturePlaces to be conducted internally. They referred to the role of the Committee in ensuring effective governance and financial accountability. It was moved and seconded: "That the Audit and Governance Committee proposes an independent investigation. This would involve identifying and appointing an independent person to lead the work and report to the Committee at a date to be identified." It was noted that this proposal would form a recommendation to Cabinet as there was no allocated budget for an external investigation.

Members speaking in support of the proposal felt that an independent investigation would offer more reassurance to the public than if it was done internally. It would guard against any political motivations and would be able to evidence what was factually correct and what was misinformation. It should scrutinise the whole lifespan of FuturePlaces, including any alleged governance failings and the decision made to close the company. As previously suggested, the scope of the investigation should be as wide as possible and should include provisions to call external witnesses, access to all council/company correspondence and full disclosure of papers. It should be independently chaired and should involve members at every stage.

Members in support of the proposal felt that the requirement for a business case and a budget for an external investigation and the reporting of this in the media was pre-empting their decision and pressurising them into changing their mind. It was in the public interest to establish what had happened to taxpayers' money and why certain governance issues were not picked up at the time. It was pointed out that not only was a large amount of money involved, there were also consequential costs associated with FuturePlaces which should be considered. Answers were needed to ensure mistakes were not repeated and to demonstrate to the public that these issues were being taken seriously. It was suggested that an external

investigation could be financed by reallocating unused ward improvement funds.

Members speaking against the proposal felt that the request to fund an external investigation was unlikely to be approved due to the substantial costs involved. The Committee had to be clear about what it wanted to achieve and for some members it was already clear what had happened and why, where the money went and who was responsible. Issues were highlighted around the staffing structure and salaries associated with FuturePlaces, the apparent absence of targets and performance monitoring and the composition and relationship of board members, but there was now a need to move on. There was no cost benefit in paying for an external investigation if lessons had already been learned and changes made, especially in the current financial climate.

It was noted that many concerns around FuturePlaces had already been addressed as part of the recent shareholder governance review of council-owned companies. To build on this, it was suggested that an investigation could focus on internal governance and procedures to check whether the steps already taken were sufficient. This did not require an external appointment, it could be something which the IPs could investigate and perhaps for a new Chief Executive to look at afresh. If there were allegations of fraud and criminal behaviour these could be pursued through the police and other channels. It was pointed out that not supporting an external investigation (which it was noted was not something the Committee had originally specified) did not mean that Members were backtracking or no longer supporting an investigation.

One of the Independent Persons questioned why the Committee did not view Internal Audit as an independent resource which could undertake an investigation if provided with a scope. She also commented on the procedures for investigating fraud and suggested that if desired the Committee could limit costs by splitting the scope into areas for external and internal investigation.

Officers commented on points arising from the debate. Members were advised that the reporting of this agenda item in the media was founded entirely on the written report, there had been no dialogue with officers. Officers were unable to comment on the perception of Internal Audit, as independent of senior officers, not being able to undertake an investigation. Members were reminded of the purpose of the report, which was to assist the Committee in scoping an investigation at this meeting, using the information provided and the list of issues to consider set out in paragraph 12. Any business case would need to include the proposed scope to enable Cabinet to make an informed decision, particularly if funds were being taken from another budget. The MO had a statutory duty to provide Cabinet with relevant advice to ensure it was fulfilling its fiduciary duty to the taxpayer.

The motion was not carried: Voting: For – 4, Against 5, Abstain – 0

Cllr J Beesley and Cllr M Phipps asked that their votes in support of the motion be recorded in the minutes.

The Committee proceeded to consider alternative options. One suggestion to set up a working party with the two IPs and an unaligned councillor was not taken forward. Members considered another proposal, to ask Internal Audit to consider whether the Council owned company shareholder governance review had gone far enough in addressing lessons learned. Points raised in discussion included that only an external investigation would be credible to the public, that it was not clear to Internal Audit what the Committee wanted and that it may be better to defer the item than rush a decision. It was suggested that the scope could be refined in discussion with the Constitution Review Working Group. Unfortunately this would not enable the scoping to be done in public and was not strictly within the group's remit. Following discussion, the proposal was withdrawn.

It was then moved and seconded "That an investigation be carried out by Internal Audit, the scope of which to include the received minutes of FuturePlaces decisions made at Cabinet and other committees and with a request that it retrieve any available emails and communications so that Internal Audit can conduct an oversight of the communications. These to be limited to information in the electronic domain and all recoverable from BCP FuturePlaces servers, and only to apply to current officers in BCP with a report back in six months".

Some members felt this proposal would restrict the scope of an investigation. It would not provide the public with confidence if undertaken internally, no matter how well, and would take too long to report back. Others supported the involvement of Internal Audit and felt that if the scope was too wide the investigation would become over complicated and could end up achieving nothing.

The MO advised that in the interests of natural justice and fairness the wording in the proposal should include reference to current and past officers and councillors. She also explained the reasons why it was not possible to undertake a global search of emails. If Members were minded to support the proposal, they would need to set clear, specific parameters. It was suggested that this be delegated to the MO. As the scope remained unclear the MO advised that she would only be able to do this in consultation with Internal Audit and other Statutory Officers as to what was appropriate. The proposal was amended to incorporate these points.

RESOLVED that an investigation be carried out by Internal Audit, the scope of which to include:

- **the received minutes of BCP FuturePlaces Limited,**
- **decisions made at Cabinet and other committees,**
- **a request that IT retrieve any available emails and communications to allow Internal Audit to conduct an oversight of those communications, this to be limited to information in the electronic domain/that recoverable from BCP Council and**

BCP FuturePlaces Limited servers and only to apply to current and past officers and councillors and to delegate authority to the Monitoring Officer in consultation with the Head of Audit and Management Assurance and other Statutory Officers to set the parameters of any email searches

with a report back to the Committee in six months

Voting: For – 4, Against – 3, Abstain – 2

Cllr J Beesley and Cllr M Phipps asked that their votes against the motion be recorded in the minutes.

86. Carters Quay

The Chair explained that that the purpose of this item was to respond to the Committee's request to provide an update on the current situation, noting that the Committee had already agreed to an investigation into the Council's governance and processes around regeneration projects with a focus on Carters Quay.

The Director, Investment and Development, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book. The report provided information about the acquisition and development of Carter's Quay. Details of the governance process followed and the pre contract due diligence were set out in paragraphs 6 to 11 of the report. The status of the development scheme up until the present time was set out in paragraphs 13 to 16. A chronology of events was attached at appendix 1 and exempt information in relation to financial dealings was attached at appendix 2. Members were advised the appointed administrators had yet to conclude the matter despite ongoing engagement. The Council had now appointed and retained specialist insolvency legal providers to resolve the situation and secure the land. An update would be provided to Cabinet at the appropriate time to set out the options available if a negotiated settlement could not be reached.

The Director responded to questions and comments from Members. She confirmed that the Council did have a charge over the land, meaning that the site could not be sold without the charge being removed. Members discussed when the investigation report previously requested by the Committee could be expected and sought assurance that this would not be delayed. Due to the circumstances of the case, it was noted that it would not be appropriate to undertake an investigation while the Council was still in negotiation and the matter not yet concluded. It was however suggested that an update report could be provided to the next meeting. The Committee was asked to note that in terms of timeframes the Council was wholly dependent on the administrators. Members welcomed the appointment of external specialist legal advice and the instruction to act robustly and expressed support for this approach.

Cllr S Bartlett, Chair of the Overview and Scrutiny Board which had referred this matter to the Committee, reiterated the importance of the Committee reviewing previous events and was assured that Members had already agreed to include this as an item on the Forward Plan.

RESOLVED:

- a) That having considered the assurances provided in the report the Committee accepts the commercial sensitivities of the negotiations underway and the need to reach a resolution, noting that a report will be taken to Cabinet;**
- b) That a further update report be provided to the Committee at its next meeting on 29 May 2025.**

Voting: For 8, Against – 0, Abstain – 1

87. Risk Management - Corporate Risk Register Update

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

The report provided an update on the position of the Council's Corporate Risk Register. All corporate risks were reviewed during Quarter 4. The Risk and Insurance Manager provided a summary of the changes in risk as set out in paragraphs 11 to 13 of the report with full details contained in Appendix 4. The report also updated on the development of a process for risk engagement with Cabinet and the progression of a new Risk Management Policy, a draft copy of which was included at Appendix 5 for information purposes.

The Risk and Insurance Manager was asked if the title of Risk CR27 could be amended to reflect the specific focus of the risk which was issues relating to cliff stability. Members also noted that the position in relation to the scoring of Risk CR02 could not be reviewed until an inspection of the SEND service had taken place. The Chief Executive reported that the latest indication was that this inspection would take place this year, hopefully in late Spring.

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

Voting: Nem. Con.

88. Internal Audit - 4th Quarter, 2024/25, Audit Plan Update

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

Progress on delivering the 2024/25 Audit Plan was going well and remained on track in terms of the Chief Internal Auditor's annual audit opinion. Recruitment was underway to replace one audit manager post. It was noted that only updates for January and February were included in the report, with March to be carried over to the next Quarter 1 2025/2 report in July. The report provided details of four audit assignments which had been finalised and 30 audit assignments which were in progress, including seven at draft report stage. There were no outstanding recommendations which required escalating to the Committee. The report also provided a response to the queries raised by members on the partial internal audit reports issued in Quarter 3. It was noted that the Council Tax Single Person Discount project had now moved to the Income Maximisation and Compliance Team which had achieved an additional yield of £71,352 in the first three months. The Committee would be kept updated on these figures.

The Head of Audit and Management Assurance was asked why a substantial assurance audit opinion was not sought when only a reasonable assurance was given without any recommendations. He explained that this would depend on the scope, however the amount of additional resources required to seek a substantial assurance when a reasonable assurance was acceptable was not cost beneficial. He was also asked why some audits were still at the scoping stage in February and why the completion date had been extended to May? He explained that where an audit crossed into the next financial year it was treated as an 'in year' audit with the final report aimed for completion by the end of May. The number of audits outstanding was typical for this stage of the financial year with shorter audits dealt with in the last quarter. Quarterly reports to the committee provided members with regular updates.

The Audit Manager responded to a question about why the 'Partnerships and Strategy - KAF overview' audit had been removed from audit plan. She advised that the service director no longer existed and staff had been moved to another service area which was already under review. This had not been referenced in the report as it was not universally known at the time of writing.

RESOLVED that Audit & Governance Committee note progress made and issues arising on the delivery of the 2024/25 Internal Audit Plan.

Voting: Nem. Con.

89. Global Internal Audit Standards and Internal Audit Charter

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

The new Internal Audit Charter for BCP Council had been completely revised in light of the new Global internal Audit Standards (GIAS) and other requirements which would come into effect from 1 April 2025. The Audit Manager drew attention to the new GIAS structure diagram at paragraph 4

of the report, setting out the domains, principles and standards. The Council had undertaken a self assessment to prepare for the new GIAS. The action plan at Appendix 1 of the report set out the steps required to meet full conformance. The Internal Audit Charter was attached at Appendix 2. The Audit Manager referred to the key components of the Charter including the Purpose and Mandate for Internal Audit, the Internal Audit Strategy and an updated Quality Assurance and Improvement Program. Members were asked to note a change in performance target 1A to reflect the need for a more dynamic and responsive annual audit plan. The Charter also set out the role and responsibilities of the Audit and Governance Committee and the Chief Internal Auditor (CIA) and other staff including measures to manage independence and conflicts of interest.

The Head of Audit and Management Assurance responded to a question about whether the requirement for the CIA to report their declarations of interest to the Committee should be as and when rather than annually (paragraph 7.7, Principle 2 of the charter). He explained that as CIA he made a base declaration which was then his responsibility to keep updated and every time this changed it was reported to the Chair and Vice Chair. He agreed to amend paragraph 7.7 to reflect this practice.

The Audit Manager was asked how the performance target for completing 90% of the audit plan was managed, when the audit plan was meant to run from April to March. She explained that the target had been changed to include the completion of the (whole of) the final revised annual audit plan and included dates by which the audits should be completed. This reflected the move away from a static annual plan a number of years ago to a more dynamic plan which was updated through the year in response to risks and changing priorities. It was noted that audits did not always fall neatly into one side or the other of the financial year and there had never been a situation where all audits were completed by 31 March.

RESOLVED that the Audit & Governance Committee approves the Internal Audit Charter having considered the following:

- **The mandate which :**
 - **includes appropriate authority, role and responsibilities of the internal audit function**
 - **provides expected scope and types of internal audit services**
 - **ensures the independence and effective performance of internal audit**
- **Content of the Internal Audit Strategy**
- **Change to performance target 1A of the Quality Assurance and Improvement Program – “To complete the final revised annual audit plan by 30 May or 31 July for agreed cross-year engagements”**
- **Arrangements to manage organisational independence and conflicts of interest, including in those areas which the Chief Internal Auditor manages**

Voting: Unanimous

90. Internal Audit - Audit Plan 2025/26

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

The report outlined the BCP Assurance Framework and the Internal Audit Plan for 2025/26. In response to the Committee's request, the Assurance Framework had been updated to indicate 'Member Oversight' of the assurance functions through various committee meetings, including audit and governance and overview and scrutiny. The final Internal Audit Plan for 2025/26 was unchanged from that presented to the 27 January meeting. Core audit & assurance work showing all planned work across each individual service area was detailed further at Appendix B. Appendix C provided a further breakdown of the audits planned to be carried out in Quarter 1. Appendix D provided an updated anti-fraud and corruption work plan detailing activity to prevent, detect and investigate fraud and corruption in the forthcoming year.

One of the Committee's Independent Persons raised a series of detailed questions around the content of the Internal Audit Plan 2025/26 with reference to supplementary professional guidance. She recommended that the Committee reconsider the matter once these questions had been resolved. In view of the number and complexity of the points raised the Committee agreed to defer consideration of the Internal Audit Plan and Internal Audit service budget for 2025/26 until the next meeting to allow the Head of Audit and Management Assurance and his team sufficient opportunity to consider these issues further before responding. It was suggested that an informal discussion on MS Teams prior to the next meeting may be useful, to include the Head of Audit and Management Assurance, the Vice Chair and the Independent Person, with other committee members invited.

RESOLVED that:

- **the updated BCP Assurance Framework be agreed**
- **consideration of the remaining issues in the report, namely the Internal Audit Plan 2025/26 including the detailed breakdown of quarter 1 audits, and the 2025/26 budget for the Internal Audit service, be deferred until the next meeting on 29 May 2025.**

Voting: Unanimous

91. Forward Plan - Indicative for the 2025/26 municipal year

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book. Appendix A of the report set out the indicative list of reports to be considered for the 2025/26

municipal year to enable the Audit and Governance Committee to fulfil its terms of reference.

The Head of Audit and Management Assurance agreed to email committee members after the meeting and invite them to suggest any ‘deep dive’ items for inclusion on the agenda for non-core meetings over the next twelve months.

The Committee was assured that the Forward Plan would be kept updated with the timescales for the investigations currently listed as ‘committee date to be determined’. As discussed earlier on the agenda, an update to the report received on Carters Quay had been requested for 29 May 2025 and the report back on FuturePlaces had been requested in six months.

The meeting ended at 9.51 pm

CHAIR