

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Chief Internal Auditor's Annual Opinion Report 2024/25
Meeting date	24 July 2025
Status	Public Report
Executive summary	<p>It is the opinion of the Chief Internal Auditor that during the 2024/25 financial year:</p> <ul style="list-style-type: none"> • 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 was an appropriate action plan in place to address them; • the systems and internal control arrangements were 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, 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	<p>It is RECOMMENDED that:</p> <p>the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and Opinion on the overall adequacy of the internal control environment for BCP Council.</p>
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 as required by the Public Sector Internal Audit Standards.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
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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 Public Sector Internal Audit Standards 2017 (PSIAS), which requires the Head of Audit & Management Assurance, in his role as Chief Internal Auditor, to report annually on:
 - the adequacy and effectiveness of the internal control environment; and on
 - conformance by the Internal Audit Section to the PSIAS.
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 & Opinion 2024/25 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 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 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 2024/25 financial year, of the Internal Audit team was £786,876; compared against the budget of £776,000, this resulted in a net overspend of £10,876 which was due to a required budgeted vacancy factor savings (5%) only being partially realised as the team was at full establishment for most of the financial year. The slight overspend was managed from within wider staffing budget underspending in teams managed by the Head of Audit & Management Assurance. 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. The Public Sector Internal Audit Standards (2017), which encompass the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), require that the Council's Chief Audit Executive provides an annual report and opinion on the adequacy and effectiveness of the internal control environment to those charged with governance of the organisation.

Summary of human resources implications

9. There were 14.35 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2024/25 which is in line with the budget due to no vacancies arising during the year. This resource is inclusive of the Head of Audit & Management Assurance who manages several other teams, an Auditor who specialises in corporate fraud prevention, detection and investigation and three audit apprentices.
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 & Opinion 2024/25
Including Annexe 1, 2 and 3

Chief Internal Auditor's Annual Report & Opinion 2024/25

Introduction

- 1 This annual report is produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS). The PSIAS encompasses the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows: Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing. The PSIAS requires the Chief Internal Auditor to report annually on the adequacy and effectiveness of the internal control environment; this report covers the period 1 April 2024 to 31 March 2025.
- 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 2024/25

- 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 2024/25, 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 was an appropriate action plan 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 2024/25. 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 2024/25

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. The work carried out in 2024/25 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 2024/25. 62 out of 68 audits have been fully completed (91%). More time than planned was spent on:
- Reviewing National Fraud Initiative (NFI) data matches including new datasets such as potential dual employment.
 - Preparing for the new Global Internal Audit Standards including revising audit processes.
 - Setting up and populating the new audit planning module of the audit management system.
 - Servicing Audit & Governance committee meetings, including report preparation and responding to member queries.
 - Qualification training by the new audit apprentices.
 - Managing the recruitment of audit manager vacancy

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 2024/25 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 62 audits carried out during 2024/25 is shown in Annexe 1 which includes the assurance level given for each review.

In summary, 1 'Substantial', 45 'Reasonable' and 10 'Partial' assurance level opinions were given during the year. Additionally, 1 consultancy and 5 follow up reviews were also carried out during 2024/25. 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	Planning & Transportation – Developer Contributions (Expenditure) Review	<p>Legacy arrangements cause confusion and inefficiency, however, there is uncertainty around MasterGov implementation arrangements including data processing, integration with financial systems and timescales.</p> <p>Cannot consistently demonstrate compliance with s.106 agreement records due to gaps in record keeping.</p> <p>Arrangements for information sharing on s.106 timescales, conditions and expenditure between Planning, Accountancy and Service Directorates are inadequate.</p>
2	Children's Services – Personal Educational Plans	<p>Personal Education Plans (PEPs) are not always being prepared within the required timeframe after entering care.</p> <p>A PEP that remains red-rated following a quality assurance review will remain in place until the following PEP. In some cases, social workers had not completed their required sections of the PEP per the statutory guidance.</p>
3	IT & Programmes – Artificial Intelligence (AI)	<p>Identified that there is currently no defined SRO in place and collective responsibility has not been established.</p> <p>There is a lack of adequate oversight and governance arrangements around the use of AI tools.</p> <p>There is no control of use of non-approved AI tools.</p>
4	Schools – Christchurch Learning Centre	<p>The overall control framework at the school was given a reasonable assurance opinion.</p> <p>However, due to the size of the deficit (end of year deficit of £452k projected at the time of the audit) and the risk this poses to the school, a partial audit opinion was given for this aspect of the school's audit, as the deficit position is unsustainable and may impact the effective operation of the school if it is not addressed. No formal recommendations were made to the school as the school is working with BCP Council Schools' Finance Team and Children's Services to ensure that appropriate actions are taken to address this issue.</p>
5	Customer & Property – Facilities Management Health & Safety Compliance (Corporate Assets) 2023/24/25	<p>Compliance inspections are not routinely reported to or reviewed by senior management with unclear escalation arrangements for outstanding or delayed compliance issues.</p> <p>Technology Forge asset records lack clarity on ownership and compliance responsibilities with compliance data inconsistently recorded and multiple supporting spreadsheets.</p> <p>Formal contracts and/or Procurement Decision Records are lacking for areas of significant contractor expenditure and some arrangements require retender.</p>
6	Children's Services – Fire, Health & Safety	<p>Differences were identified between the Children's Services records of fire responsible buildings and the Corporate Fire Safety Team's records of buildings.</p> <p>Most Children's Services responsible buildings have not been allocated an adequately trained Local Fire Safety Co-ordinator.</p> <p>Fire safety checks had not been carried out in line with their required schedule.</p> <p>Fire Risk Assessments had not been completed for two buildings.</p>
7	Children's Services – Commissioning Delivery	<p>Placement approval forms were not all approved in line with the service scheme of delegation.</p> <p>The Gateway board process has fundamental issues, such as one of the boards not operating at all, poor attendance, and no specified quorums.</p>

	Audit	High Priority recommendations to improve controls covering:
8	Housing – Temporary Accommodation and Bed & Breakfast Financial Management	Income and expenditure budgets are in need of comprehensive review and re-basing to ensure they are sufficient, aligned to service demand / experience and that contingency arrangements are in place in case of reduction in grant funding. Misalignment of financial system budget and expenditure codes and inconsistent cost allocation practices inhibit financial oversight and decision-making.
9	Wellbeing – Supplier Assurance	There is no procedure for supplier assurance. Contracts are not always in place. Evidence of valid insurance was not in place for all expected contracts. Contract monitoring was not in place in all cases, was inconsistent and not evidenced.
10	Finance - Asset Management (Estates) KAF	Data on Civica TechForge is incomplete and not reconciled to Dynamics.

- 11 During 2024/25 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, Creditors, Debtors, Housing Rents, Housing Benefits & Council Tax Reduction Scheme, Treasury Management, Social Services Financial Assessments, Payroll, Council Tax and NDR systems (as set out in Annexe 2).
- 12 The Council's Assurance Framework (as set out at Annexe 3) has been populated to show Internal Audit coverage during 2024/25 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 For all audits finalised during the period April 2024 to March 2025, a total of 255 recommendations were made (compared to 257 recommendations in 2023/24 and 250 recommendations in 2022/23). 100% of these recommendations have been accepted by management.
- 15 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.
- 16 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.
- 17 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.
- 18 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 2024/25:

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
2022/23	4.17	4.29	4.17	4.58	4.30
2023/24	4.69	4.72	4.69	4.66	4.69
2024/25	4.52	4.66	4.59	4.52	4.57

- 19 The overall average score of 4.57 for 2024/25 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

- 20 Counter Fraud work was undertaken during 2024/25 to further improve the Council's arrangements for combating fraud & corruption. This work included reviewing selected fraud risk areas such as homecare & residential care payments, procurement cards, mandate fraud, direct payments for children, contract award, cash income, and planning applications.
- 21 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.
- 22 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.
- 23 Work was completed (by end of November 2024) by Internal Audit on a Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD. Discounts were removed where fraud or error was found, and the national penalty charge (£70) was levied for failure to notify the Council of a change in circumstances. The Internal Audit pilot resulted in a total yield of £675,793 (including financial penalties of £26,880) and removing 556 single person discounts.
- 24 Due to the success of the project in contributing to the MTFP, the project moved to 'business as usual' within the Compliance Team within the Revenues & Benefits Service from December 2024 and the Audit & Governance Committee has continued to receive assurance that approach continues to generate yield.
- 25 The annual evolution reviews of the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy, Regulation of 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 (1/4/25).
- 26 During July 2024, BCP Council was subject to its three-yearly inspection by the Investigatory Powers Commissioner's Office (IPCO). The inspection was to assess compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA). Internal Audit, on behalf of the Council, provided a written response to a set of questions from the IPCO which resulted in a letter from them stating that they were satisfied with ongoing compliance with RIPA and the IPA and ensuring the risks of unregulated surveillance, particularly online is minimised.

- 27 Internal Audit have carried out proportionate investigations during the year in response to every identified or suspected case of financial irregularity. A full report will be provided to this Committee in October for the financial year 24/25.
- 28 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 2025 Audit & Governance Committee meeting.

Risk Management Framework

- 29 An annual audit review of the Risk Management key assurance function was carried out and resulted in an 'Reasonable' audit opinion, demonstrating the adequacy of the risk management framework.
- 30 There is a Risk Management Policy and the Audit & Governance Committee receive, on a quarterly basis, an update on the Council's corporate risk register.

Governance Work

- 31 Internal Audit completed some specific governance reviews during the year (in addition to key assurance functions work) :
- Council Companies Governance – Follow Up
 - Investment & Development KAFs Overview - Reasonable
- Where applicable, recommendations were made to improve internal control and governance arrangements.
- 32 The Local Code of Governance update is being taken to this Committee meeting as part of the Annual Governance Statement report.
- 33 Progress made against actions arising from the 2023/24 Annual Governance Statement has been reviewed and was presented to the Audit & Governance Committee in January 2025.
- 34 Work was undertaken to compile the 2024/25 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

- 35 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:
- Supporting Families;
 - Various Department for Transport grants;
 - Disabled Facilities Grant;
 - Early Education Funding;
 - Skills and Learning Multiply Grant;
 - Department for Environment, Food & Rural Affairs Grants.
- 36 Internal Audit carried out internal audits of the Charter Trustees of Bournemouth and the Charter Trustees of Poole as requested to support their Annual Governance and Accountability Returns (AGAR). This was a fee chargeable service.
- 37 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 2024/25' report.
- 38 Assurance on funds allocated to nurseries and pre-schools was provided during the year. Issues regarding the funding claim were raised for one setting which the Early Education Funding Team have been made aware of.
- 39 Support and advice has been provided on breaches of Financial Regulations which is included in a separate report to this committee meeting.

- 40 Internal audit also continued to provide support on the independent review for Local Government early retirement (on the grounds of ill health) appeals during the year.
- 41 Officer time was also spent on supporting the equalities and women's network corporate groups.
- 42 Internal Audit has completed planned actions on its Data Analytics Strategy to support the effective and efficient delivery of assurance. Specific assurance work was undertaken using data analytics and continuous auditing techniques on purchasing card payments, employee expenses and <£250 auto approved creditor payments during 2024/25.
- 43 The Chief Internal Auditor assisted this Committee in developing a detailed scope for an investigation into the set-up, running of and close down of BCP Futureplaces, a wholly owned BCP Council Teckal company – the bulk of the actual investigation work will fall into the 2025/26 audit year.

Compliance with Professional Standards

- 44 The Public Sector Internal Audit Standards (PSIAS) 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 PSIAS following their external assessment in June 2021. An external assessment is required to take place every 5 years under PSIAS (and also under the new Global Internal Audit Standards w.e.f. 1 April 2025), therefore it is next planned for June 2026.
- 46 An annual internal self-assessment is carried out in between the external assessment and the self-assessment carried out during 2024/25 demonstrated that all standards were met.
- 47 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.
- 48 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.
- 49 The new Global Internal Audit Standards came into effect from 1 April 2025 and replaced the Public Sector Internal Audit Standards. A report was taken to the 20 March 2025 Audit & Governance Committee which provided an overview of the new standards and stated that following a self- assessment it was judged that the internal audit function 'generally conforms' across all standards / domains. An action plan is in place to ensure full conformance.
- 50 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.
- 51 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.

Conclusion

52 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	2024/25 Audits Completed
Annexe 2	Key Financial System Audit Opinions
Annexe 3	BCP Council Assurance Framework 2024/25

Annexe 1: 2024/25 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE DIRECTORATE AUDITS		
1	Adult Social Care	Section 117 Hub & Budget (2023/24/25)	Reasonable
2	Commissioning	Supplier Assurance	Partial
3	Commissioning	Tricuro	Reasonable
4	Housing & Public Protection	Temporary Accommodation and B&B Financial Management	Partial
5	Children's Commissioning	Commissioning Delivery including quality assurance	Partial
6	Wellbeing Directorate	Risk Management (KAF)	Reasonable
7	Education & Skills	Personal Education Plans – Virtual School	Partial
8	Quality & Governance	Children's Fire, Health & Safety	Partial
9	Quality & Governance	Risk Management	Follow Up
10	Quality & Governance	Workforce Development - Training	Reasonable
11	Customer & Property Operations	Council Companies Governance	Follow Up
12	Planning & Transportation	Highways Infrastructure Asset Register Review	Reasonable
13	Planning & Transportation	Community Infrastructure Levy - Management of Spend	Consultancy
14	Planning & Transportation	Developer Contributions (2023/24/25)	Partial 6
15	Environment	Information Governance (KAF)	Reasonable
16	Investment & Development	KAFs Overview	Reasonable
17	People & Culture	Recruitment	Reasonable
18	Finance	Business Continuity (KAF)	Reasonable
19	Law & Governance	Business Continuity (KAF)	Reasonable
20	IT & IS	Application Rationalisation	Reasonable
21	IT & IS	Artificial Intelligence	Partial
22	IT & IS	Business Planning & Performance Management (KAF)	Reasonable
23	IT & IS	Third Party Access	Reasonable
24	Marketing, Communications & Policy	Business Planning & Performance Management (KAF)	Reasonable
	KEY ASSURANCE FUNCTION AUDITS		
25	Customer, Arts & Property	Asset Management (Facilities Management) (2023/24/25)	Partial 8
26	Finance	Asset Management (Estate Management)	Partial 9
27	Finance	Business Continuity & Emergency Planning	Reasonable
28	Finance	Financial Management (with Main Accounting KFS)	Reasonable
29	Finance	Health & Safety	Reasonable
30	Customer, Arts & Property	Fire Safety	Follow Up
31	People & Culture	Human Resources (sickness absence & flexible working)	Substantial
32	Finance	Procurement	Reasonable
33	IT & IS	Project & Programme Management	Reasonable
34	IT & IS	ICT (security of assets)	Reasonable
35	Finance	Risk Management	Reasonable

	Service Area	Audit	Assurance Opinion
36	Marketing, Communications & Policy	Business Planning & Performance Management	Reasonable
37	Adult Social Care	Corporate Safeguarding	Reasonable
38	Marketing, Communications & Policy	Sustainable Environment	Follow Up
39	Marketing, Communications & Policy	Partnerships	Follow Up
40	Law & Governance	Information Governance	Reasonable
	KEY FINANCIAL SYSTEMS AUDITS		
41	Finance	Housing Benefits & Council Tax Reduction Scheme	Reasonable
42	Finance	Council Tax	Reasonable
43	Finance	Non Domestic Rates	Reasonable
44	Finance	Main Accounting (with Financial Management)	Reasonable
45	Finance	Creditors	Reasonable
46	Finance	Debtors	Reasonable
47	Finance	Treasury Management	Reasonable
48	Finance	Social Care Financial Assessments	Reasonable
49	Finance	Payroll	Reasonable
	SCHOOL AUDITS		
50	Children's Services	Corpus Christi School	Reasonable
51	Children's Services	Somerford School	Reasonable
52	Children's Services	St Walburga's School	Reasonable
53	Children's Services	Winchelsea School	Reasonable
54	Children's Services	Christchurch Learning Centre	Partial 10
	COUNTER FRAUD AUDITS		
55	All service areas	Contract Award	Reasonable
56	All service areas	Cash Income	Reasonable
57	All service areas	Procurement Cards	Reasonable
58	Children's Services	Direct Payments	Reasonable
59	Commissioning	Homecare and Residential Care Payments	Reasonable
60	Finance	Mandate Fraud	Reasonable
61	Planning & Transport	Planning Applications	Reasonable

Audits Carried Out Across 2024/25/26 (i.e. straddled the financial year end)			
	Service Area	Audit	Status
Completed			
62	Commercial Operations	FCERM Commercial Charging & Cost Control	Reasonable
Finalising			
63	Commercial Operations	Car Parking & Enforcement Income Management	Draft Report
64	Investment & Development	Housing Acquisitions Programme Review	Draft Report
65	Environment	Coroner & Mortuary Service	Draft Report
66	Education & Skills	Schools Finance	Draft Report
67	Housing Rents	Housing Rents (Key Financial System)	Drafting Report
68	Commercial Operations	Seafront Compliance with Planning	Drafting Report

Audits Deferred (for Consideration in 2025/26), Removed or Added

	Service Area	Audit	Comment/ rationale
1	Adult Social Care	Contact Centre	Contact centre project not going ahead in the way initially envisaged but they will be transforming the service, therefore audit not required.
2	Housing & Communities	Food Safety Regulation Compliance	Delay to changes to food standard agency regulations
3	Commissioning	Care Technology	Service transformation underway. Audit originally planned for Q3, now postponed to 2025/26 to review new processes and whether transformation objectives were met.
4	Public Health	Public Health	Public Health to be brought 'in house' from 1st April 2025. Audit originally planned for Q4, postponed until 2025/26 when a key assurance review will be undertaken.
5	Children's Services	Local Authority Designated Officer (LADO)	Originally planned for Q3, however, service has been reviewed both externally & internally in recent months.
6	Law & Governance	Local Land Charges	Service changes currently underway. Audit originally planned for Q3, postponed to 2025/26.
7	Housing	Housing Quality including New Social Housing Regulations Compliance	The timing of this is dependent on the outcome of the Housing Quality Network external assessment into the readiness for the new Regulator of Social Housing Rules. This is now not expected until February, so the audit has been postponed until Quarter 1 in 2025/26.
8	Housing	Housing Assets Health & Safety Compliance Follow Up	Incorporated into a more detailed/extensive crossover year audit (2023/24/25) of Housing Assets Health & Safety Compliance, the results of which were reported to the previous Audit & Governance Committee. An audit is planned for 2025/26 which will include follow up of the recommendations made.
9	Education & Skills	Capital Programme	The team has recently recruited Project Managers who will be addressing known issues as highlighted in previous Capital Programme audit. The audit was agreed to be postponed until early 2025/26 to review actual arrangements.
10	Customer & Property	Asset Management (Facilities Management)	Incorporated into a more detailed/extensive crossover year audit (2023/24/25) of Customer & Property – Facilities Management Health & Safety Compliance (Corporate Assets), the results of which are reported above. An audit is planned for 2025/26 which will include follow up of the recommendations made.
11	Commissioning	Brokerage Contract Allocation Analysis	Agreed this would be removed from the plan as the proposed scope overlapped with the 2022/23 Brokerage audit, which was partial. Follow up of outstanding recommendations continued during 2024/25. The time for this audit was used for the Commissioning – Supplier Assurance audit, which is currently in draft, as there were a number of complex issues to review which were not foreseen at the scoping stage of the audit.
12	Adult Social Care	Liberty Safeguards	Delayed until Q1 2025/26 to enable current development work in the service to be completed and the forthcoming CQC visit to take place. In the meantime, assurance over adequacy of arrangements was provided by the service including results of an internal quality assurance review, where no poor practice was highlighted.
13	Partnerships & Strategy	KAF Overview	This was delayed at the request of the Director due to changes in staffing arrangements.

14	People & Culture	IR35 Compliance	This has been postponed to 2025/26 when the new process will be fully embedded into HR. In the meantime, assurance was received that all new requests for IR35 are reviewed prior to set up.
15	Investment & Development	Housing Acquisitions Programme Review	Concerns were highlighted in respect of potential overspend on the Housing Acquisitions programme and inadequate programme management. Given the potential size of the overspend, this was added to the 2024/25 Internal Audit plan as a 2024/25/26 audit. A draft report has been issued and will be reported to the next Committee.
16	Customer & Property	Corporate Complaints	Due to resource pressures, this is now being carried out as part of the 2025/26 Plan and a draft report is due shortly.

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2024/25 Opinion	2023/24 Opinion	2022/23 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	Follow Up	Partial
Main Accounting	Finance	Reasonable	Partial	Reasonable
Creditors	Finance	Reasonable	Reasonable	Reasonable
Payroll	People & Culture	Reasonable	Reasonable	Reasonable
Treasury Management	Finance	Reasonable	Reasonable	Reasonable
Housing Rents	Housing	Reasonable*	Follow Up	Reasonable
Social Services Financial Assessments	Finance	Reasonable	Reasonable	*Reasonable

Notes

* Audit being finalised and expected audit opinion

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 2024/25

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
Internal Audit	<ul style="list-style-type: none"> • All Service Directorates audited during 2024-25 • 62 out of 68 audits fully completed (see Annexe 1 for list of audits) • 1 Substantial, 45 Reasonable and 10 Partial Assurance Level opinions were given during the year. 1 consultancy review and 5 follow up reviews were also carried out • There were no Minimal assurance opinions
Counter Fraud	<ul style="list-style-type: none"> • Audit assignments carried out during 2024/25 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 • Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all NFI data matches that may indicate fraud or error in relation to residents claiming SPD successfully completed and project moved to 'business as usual' with Revenues & Benefits service
Asset Management (Estate Management)	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management – estate management ('Partial' audit opinion)
Asset Management (Facilities Management)	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management - facilities management (2023/24/25 'Partial' audit opinion)
Business Continuity	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Corporate performance reporting to Cabinet took place during the year • Internal Audit carried out an annual assurance review ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE

Source of Assurance	Internal Audit Assurance Work
Financial Management	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out a 'follow up' review on corporate Fire Safety arrangements with no significant concerns raised
Health & Safety	<ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out an annual assurance review on corporate Health & Safety arrangements ('Reasonable' audit opinion)
Human Resources	<ul style="list-style-type: none"> Audit review carried out on corporate Human Resources arrangements covering sickness absence & flexible working ('Reasonable' audit opinion)
Information Communication Technology	<ul style="list-style-type: none"> Internal Audit carried out reviews on Application Rationalisation ('Reasonable' audit opinion), Artificial Intelligence ('Partial' audit opinion), Third Party Access ('Partial' audit opinion) and Business Planning & Performance Management (KAF) ('Partial' audit opinion) An annual assurance review on ICT security of assets also carried out ('Reasonable' audit opinion)
Information Governance	<ul style="list-style-type: none"> Information Governance Board in place and regular meetings occurring Internal Audit carried out an annual assurance review on Information Governance ('Reasonable' audit opinion)
Partnerships	<ul style="list-style-type: none"> Procurement & Contracts Board in place and regular meetings occurring Internal Audit carried out a 'follow up' review on corporate Partnerships arrangements with no significant concerns raised
Procurement	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on corporate project and programme management arrangements ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE

Source of Assurance	Internal Audit Assurance Work
Risk Management	<ul style="list-style-type: none"> • Corporate Risk Management Strategies and frameworks in place • Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management • Audit review carried out on current arrangements for risk management ('Reasonable' audit opinion)
Safeguarding	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on corporate safeguarding arrangements ('Reasonable' audit opinion)
Sustainable Environment	<ul style="list-style-type: none"> • Internal Audit carried out a 'follow up' review on corporate sustainability arrangements with no significant concerns raised
Management Assurance Statements	<ul style="list-style-type: none"> • 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
Regulatory Bodies	Peer Reviews