



ANNUAL REPORT OF THE AUDIT & GOVERNANCE COMMITTEE 2024/2025

Annual Report of the Audit & Governance Committee 2024/25

Foreword by Councillor Marcus Andrews and Councillor Eleanor Connolly

We are pleased to introduce the annual report of the Audit & Governance Committee, summarising the contribution the committee made during the 2024/25 municipal year to the achievement of good governance, effective internal control, and strong financial management within the Council.

All councillors and the two independent members of the committee bring a balanced, independent, and objective approach to business of the committee and we sincerely thank them for the contributions they have made.

The committee has provided robust challenge and review of the Council's arrangements for risk, governance, and audit, across four 'core' and four '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: the Whistleblowing Policy, the Anti-Fraud and Corruption Policy; the Declaration of Interests, Gifts and Hospitality Policy and the Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy.
- Overseen and approved the annual evolution of Financial Regulations;
- Received and reviewed the annual Counter Fraud update report;
- Received and reviewed detailed assurance reports on the key aspects of the Council's internal control arrangements, including risk management, information governance, health and safety, emergency planning and business continuity, treasury management and performance management, providing robust challenge to BCP council arrangements and to suggest areas where improvements can be made; and
- Provided oversight to the Council's internal audit function, receiving the annual report and opinion alongside regular quarterly updates on progress against the internal audit plan, including the implementation of recommendations made in line with the committee approved Audit Charter.

Given the national backstop arrangements, we acknowledge that the external auditor's disclaimer opinion issued for the Statement of Accounts for 2023/24 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 Accountancy team and the effective relationship with the external auditor.

Given the continued concerns surrounding BCP FuturePlaces, the Committee commissioned a wide-ranging investigation from the Council's Chief Internal Auditor. This investigation will report to the Committee in the late summer/early autumn of 2025. However, the Committee recognises that further additional lines of enquiry may be required.

We 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. Four '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.

Cllr Marcus Andrews
Chair - 2024-25
Vice Chair - 2025-26

Cllr Eleanor Connolly
Vice Chair – 2024-25
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 (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 (2018)

2.3 The Terms of Reference for the Audit & Governance Committee are reviewed annually against current regulations, the CIPFA position statement and guidance for audit committees and best practice in comparable authorities.

2.4 The Committee's approved Terms of Reference for 2024/25, which are 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 1 of this report.

Membership and attendance

2.5 The Committee was chaired during 2024/25 by Councillor Marcus Andrews and the vice chair was Councillor Eleanor Connolly. The Committee comprised nine councillors (inclusive of the Chair and Vice) and two independent members.

2.6 The Committee met formally on eight occasions during 2024/25. 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					
Marcus Andrews (Chair)	8	8	0	0	0
Eleanor Connolly (Vice Chair)	8	5	3	0	0
Sara Armstrong	8	7	0	0	1
John Beesley	8	7	0	1 Cameron Adams	0
Philip Broadhead	3	2	0	0	1
Brian Castle	2	0	0	1 Lisa Northover	1
Richard Herrett	1	1	0	0	0
Margaret Phipps	8	8	0	0	0
Vikki Slade	7	2	1	3 Tony Trent	1
Michael Tarling	8	6	0	2 Jo Clements(1), TonyTrent(1)	0
Clare Weight	8	7	0	1 Tony Trent	0
Independent members (non-voting)					
Samantha Acton	8	6	1	n/a	1
Lindy Jansen-vanVuuren	8	3	4	n/a	1

2.7 Councillor Brian Castle was a member of the Committee for the first two meetings of the year until he passed away in August 2024. Following the resulting election and review of political balance, Councillor Philip Broadhead became a member of the Committee from

January 2025. Councillor Vikki Slade replaced Councillor Richard Herrett from the July 2024 meeting following his appointment to Cabinet.

- 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 Members to the committee, having been appointed by Council following an openly advertised selection process in October 2023, and running to 31 March 2026. The introduction of independent members to the committee has enhanced the independence of the committee as it discharges its functions. In addition, the professional audit and business experience and knowledge of its independent members give depth and insight to the robust challenge the committee provides in considering the assurances received.

Knowledge and Skills of the committee members

- 2.12 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.
- 2.13 The committee also participated in 'deeper-dive' sessions including, for example, arrangements for the use of Consultants & Interim staffing and Procurement arrangements (including changes resulting from the Procurement Act 2023) – a full list as shown in the table at 3.2.
- 2.14 The External Auditor routinely provided sector updates and presented some in depth briefings.
- 2.15 Cllr Marcus Andrews attended CIPFA Better Governance Forum training for audit committee chairs.
- 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 2025/26 municipal year. The new 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 committee³. 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. (Four planned in 25/26).

- 2.18 Refresher training on the roles and responsibilities of Audit Committees has been arranged with the external auditor, Grant Thornton, for autumn 2025.

Operation of the committee

- 2.19 The Committee met on eight formal occasions during the 2024/25 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 eight 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 2024/25 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.

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 2024/25 has received:
- Some reports in arrears, for the 2023/24 and residual 2022/23 financial years;
 - Some update reports in real or close to real time for the 2024/25 financial year; and
 - Some reports in advance to implement policies and procedure for the 2025/26 financial year.
- 3.2 The table below summarises the reports received by the Committee during the 2024/25 municipal year.

Terms of Reference area	Reports received by the committee to enable oversight and discharge of responsibilities
Governance, Risk & Control	<ul style="list-style-type: none"> • Annual Governance Statement 2023/24 and Annual Review of Local Code of Governance and Action Plan Update • Chief Internal Auditor's Annual Opinion 2023/24 • Annual Breaches & approved Waivers of Financial Regulations 2023/24 • Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2023/24 • Annual Use of Regulation of Investigatory Powers Act and Investigatory Powers Act 2023/24 • Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2023/24 • Risk Management – Corporate Risk Register quarterly updates <p><i>Please note that no Information Governance update was brought during the municipal year. This was because the timing of the report was amended from April to July to allow effective compilation of the previous year's performance information. The Committee received an update in April 2024 and will receive the next in July 2025. As this is only a delay of 3 months, we do not consider that this has impacted on the Committee's ability to discharge its responsibilities. Annual reports will be received in July henceforth.</i></p>
Internal Audit	<ul style="list-style-type: none"> • Chief Internal Auditor's Annual Opinion 2023/24 • Quarterly Internal Audit Plan Updates 2024/25 • Assurance Framework & Internal Audit Plan 2025/26, including the Audit Charter and Global Internal Audit Standards for 2025/26
External Audit	<ul style="list-style-type: none"> • Audit Plan 2023/24 • Audit Findings Report & Statement of Accounts 2021/22 & 2023/24 • Auditors Annual Report (Value for Money arrangements report 2023/24) • Audit Progress & Sector quarterly updates • Local Audit in England – Backlog Update
Treasury Management	<ul style="list-style-type: none"> • Treasury Management Outturn 2023/24 • Treasury Management Strategy 2025/26 • Treasury Management Quarterly Monitoring Updates
Accountability arrangements	<ul style="list-style-type: none"> • Audit & Governance Committee Annual Report 2023/24
Other functions	<ul style="list-style-type: none"> • Emergency Planning & Business Continuity annual update • Health & Safety and Fire Safety annual update • Annual evolution of Council Policies for 2025/26: <ul style="list-style-type: none"> 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 2025/26
Discretionary and/or requested functions	<ul style="list-style-type: none"> • Review of the Council's Constitution - a separate working group was convened and met several times during the year to review the Constitution. Changes were discussed and agreed at Audit & Governance Committee and subsequently approved or not by Council • Commercial Operations - Planning permissions approach • Arrangements for the use of Consultants & Interim staffing

	<ul style="list-style-type: none"> • Presentation – Budget and Medium Term Financial Plan (MTFP) decision making process, governance and safeguards • Presentation – Procurement Arrangements (including changes resulting from the Procurement Act 2023) • Presentation - Transparency of officer decision making and accountability to Councillors • Presentation - Governance surrounding the disposal of Council land and property • Increased Borrowing - Hawkwood Road and Housing Delivery Council Newbuild Housing and Acquisition Strategy (CNHAS) • Performance Management, including business planning - Governance and reporting • Review of BCP FuturePlaces Limited • Carters Quay
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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.

3.5 The Committee considered the interim (or draft) AGS in July 2024, just after the formal period of public consultation, and went on to approve the Council's Annual Governance Statement for 2023/24 following receipt of the Chief Internal Auditor's Opinion.

3.6 The Committee approved the audited Statement of Accounts for 2023/24 on 27 February 2025. Due to the challenges of undertaking the prior year audit (2022/23), a disclaimer opinion on the financial statements was issued in accordance with the application of the local authority backstop. This impacted the audit opinion for 2023/24 as the auditors did not have assurance over opening balances.

3.7 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 2024/25 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 February 2024 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 2023/24 Annual Report identified the following weaknesses:

Criteria	2022/23 Auditor judgement on arrangements	2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	R Two key recommendations on the transformation programme and the medium-term plan. Three improvement recommendations made.	R Two new key recommendations raised in 2023/24 relating to the plan to manage the Dedicated Schools Grant (DSG) deficit and the Council's cash position. One significant weakness from the prior year remains outstanding in respect of medium-term financial plan. Positively, the prior year key recommendation in respect of the control and management of the transformation programme, as well as the delivery of savings and management of costs has been removed. No new improvement recommendations made in 2023/24 but one improvement recommendation from the prior year remains open.	↔
Governance	R One key recommendation made in relation to the Council entering in high-risk ambitious projects without due governance. Seven improvement recommendations raised.	A No significant weakness identified. The key recommendation from the prior year has been resolved and closed. We raised one improvement recommendation in 2023/24 and a further two improvement recommendations from the prior year remain open.	↑
Improving economy, efficiency and effectiveness	R Two key recommendations raised around children's social care and BCP Future Places. One improvement recommendation raised in 2021/22 and 2022/23. Two improvement recommendations from 2020/21 remain open.	R The key recommendation raised in the prior year relating to transformation and BCP Future Places is closed. We raise a new key recommendation on the Council's SEND provision. One key recommendation from the prior year relating to children's services remains open.	↔

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Overall, three key recommendations were made and a further three improvement recommendations were made. The Council provided the External Auditor with management responses to all the recommendations. Recommendations were either implemented or are being implemented. In the latter case, being implemented, this is where the action or requirement may take time to embed or take effect.

The Committee particularly noted the following key commentary surrounding the Council's governance arrangements:



Governance

In the prior year, we identified a significant weakness and raised a key recommendation around the Council entering high-risk ambitious and challenging projects without proper or full consideration of governance arrangements. Since May 2023, the Council has had a new administration. We note a clear change in approach to decision making. Specifically, a more traditional and conventional one, avoiding high-risk or ambitious projects for transformation with proper regard to advice from statutory officers. On this basis we no longer consider this a significant weakness in governance arrangements.

The Council was issued with a Best Value Notice in August 2023 which mentioned two key governance issues relating to the Member relationships and the development of the senior leadership team. Since the issuing of the notice, the Council has proactively pursued an action plan to address the recommendations made. There is evidence of significant progress, though this will be reviewed by MHCLG in August 2024.

The Council has appropriate risk management arrangements in place. There is an effective internal audit function in place to monitor and assess the operation of internal controls. The Council has made significant changes to its budget setting process to bring it in line with traditional and conventional approaches. This was in place for the 2023/24 and 2024/25 budget setting processes.

On this basis we are able to conclude that the Council's governance arrangements for 2023/24 to be effective and have reported no significant weaknesses in arrangements.

3.13 During the year, the committee also received regular reports and sector updates.

3.14 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.

- 3.16 The Committee noted the assurance, through interim self-assessment, that the Internal Audit service conforms with the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 3.17 From 1 April 2025, Internal Audit are 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 PSIAS.
- 3.18 The Committee received assurance that the Internal Audit team had been preparing for this change and a self-assessment showed them to 'generally conform' with the requirements. They identified that there are a number of areas for development in order to reach full conformance and the resultant action plan was shared with this Committee.
- 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 by June 2026 as part of a 5 year rolling cycle.
- 3.20 The Committee reviewed and agreed the Internal Audit Charter, which fundamentally updated in line with the GIAS, to include a Mandate, which is a new requirement. 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 2024/25, 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 moved to quarterly detailed operational audit scoping and planning. Local government sector challenges and significant levels of organisational change created uncertainty, complexity and increasing risk. Quarterly planning enabled the team, and the committee, to ensure audit plans were 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 2024/25 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. There were 10 'partial' assurance (including two cross-year audits) and, reassuringly, no 'minimal' assurance review outcomes reported to the Committee during 2024/25.
- 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 – the Committee did not exercise this power during 2024/25. In the rare circumstances where high priority 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 PSIAS.
- 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.
- 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 2024/25 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 2023/24 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 2024/25 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 as 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 2025/26 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 25/26 municipal year in relation to:
- BCP FuturePlaces Investigation
 - Investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development

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.