AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Internal Audit - Quarterly Audit Plan Update**
Meeting date	30 July 2026
Status	Public Report
Executive summary	This report details progress made on delivery of the first quarter of the 2026/27 Audit Plan plus the last month of the 2025/26 Audit Plan. This report highlights that: • All audit assignments from 2026/27 have been completed • 29 audit assignments have been finalised, including four 'Partial' audit opinions; • 17 audit assignments are in progress; • Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion; • Eight high and three medium priority recommendations have not been fully implemented by the original target date or agreed revised date (as at 30 June). Explanation has been received from the relevant Directors as to why these have not been completed.
Recommendations	**It is RECOMMENDED that Audit & Governance Committee:** **a) Note progress made and issues arising on the delivery of the 2025/26 and 2026/27 Internal Audit Plans.** **b) Note the explanations provided for non-implemented recommendations (Appendix 1) and determine if further explanation and assurance from the Service / Corporate Director is required.**
Reason for recommendations	To communicate progress on the delivery of the 2025/26 and 2026/27 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Aidan Dunn, Chief Executive
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Wards	Not applicable
Classification	For Information

Background

1. This report details Internal Audit's progress on delivery of the first quarter of the 2026/27 Audit Plan (April to June inclusive) plus the final month of the 2025/26 Audit Plan (March) and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management as at 30 June 2026.

Delivery of Internal Audit Plan – 2025/26 and 2026/27 (March, and April – June 2026)

3. All 2025/26 Internal Audits have been completed.

4. 29 audit assignments have been **finalised** between March and June as outlined below:

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
	2025/26 Audit Plan					
1	Finance, Estates and Benefits	**Asset Management (Estates)(Core KAF)** ➢ Review whether asset condition surveys impact asset valuations ➢ Follow up previous recommendations	Partial	0 (+ 1 previously raised)	1 (+ 4 previously raised)	2 (+ 1 previously raised)
2	Schools	**Burton CE Primary School** ➢ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance	Reasonable	0	14	3
3	Finance, Estates and Benefits	**Business Continuity (Core KAF)** ➢ Business Continuity Arrangements ➢ Testing Arrangements ➢ Training ➢ Follow up previous recommendations	Reasonable	0	2	1
4	Adult Social Care	**Community Mental Health** ➢ Key responsibilities as set out in the S75 agreement, including: o Governance and Oversight arrangements o Performance Framework Monitoring o Financial Arrangements o Risk Management Arrangements o Information Governance Arrangements o Complaints Handling and Learning	Reasonable	0	4	3
5	Adult Social Care	**Extra Care Housing** ➢ Governance – review: o Governance arrangements to confirm Extra Care Housing supported by	Reasonable	0	4	3

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		policies/ procedures, roles, aligned strategy, effective risk and performance management o Provider performance management process o Eligibility and Access – review compliance with eligibility criteria to confirm that Extra Care Housing is accessed only by eligible applicants, with supported referrals and consistent, documented decisions ➢ Allocation & Waiting List Management – review allocation and waiting list management processes to ensure that they are managed effectively ➢ Charging & Contributions - review of the charging and contributions arrangements to ensure that they are documented, monitored, and awarded				
6	Finance, Estates and Benefits	**Debtors (KFS)** ➢ Systems & procedures - review current system and operating procedures and confirm whether there are any changes ➢ Key Controls - review key controls and confirm they are operating correctly: o Segregation of duties o Debtor set up o Debt recovery o Debt write-offs o Reconciliations to the general ledger ➢ Follow up previous recommendations	Reasonable	0	1	2
7	Finance, Estates and Benefits	**Health & Safety (Core KAF)** ➢ Training and Communication - review of: o training programmes in place and completion rates o communication of service policies, procedures and updated ➢ Risk Management - review of risk management arrangements related to Health and Safety ➢ Monitoring, Assurance and Reporting - review of: o performance indicators o internal inspections carried out by the service o escalation processes of significant risks and non-compliance	Partial	1	3	0
8	People & Culture	**Human Resources (Core KAF)**	Reasonable	0	2	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Absence Management - review of: o Absence management policies, including application and compliance. o Absence data reporting to senior managers ➢ Performance – review of: o New Performance policy, including application and compliance o Arrangements in place to monitor the completion of performance reviews o Reporting arrangements.				
9	Wellbeing Directorate Wide	**Human Resources (Service KAF)** ➢ Recruitment - Review sample of new starters to confirm the following were completed: o References o Right to Work checks o DBS checks (where required) o Qualification evidence (where required) ➢ Onboarding - Review sample of new starters to confirm the following were completed: o Inductions o Mandatory Training o Probation Meetings / Forms (where required) ➢ Agency Staff - Review sample of agency workers to confirm that: o IR35 checks were completed o contracts are compliant with the Recruitment & Selection Policy	Reasonable	0	3	2
10	Law & Governance	**Information Governance (Core KAF)** Review of governance arrangements including: ➢ Established Information Governance Board that meets on a regular basis ➢ Performance reporting to the Board covering Freedom of Information (FOI) requests, Subject Access Requests (SARs), and personal data breaches ➢ Information Governance Board Risk Register ➢ Mandatory training requirements, with completion rates monitored by the Information Governance Board	Consultancy	0	1	0
11	Law & Governance	**Local Land Charges** ➢ Governance & Regulatory Compliance – review of: o Governance arrangements and roles and responsibilities	Reasonable	0	3	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		○ Any changes in legislation or process ○ Compliance with statutory timescales ➢ Data Quality, Accuracy & Corrections – review of: ○ Service actions to ensure Local Land Charges data is accurate, complete and up to date ○ Procedures for identifying, correcting and resolving data inaccuracies ➢ Service Performance - review of: ○ Currently used performance metrics and reporting arrangements ○ Customer satisfaction and service complaints to influence service delivery ➢ Income - review of: ○ Income arrangements for Local Land Charges ○ Income reports to confirm that VAT transactions are processed correctly				
12	Children's Social Care	**Pathway Plans** ➢ Governance - Review of governance arrangements to ensure: ○ Guidance/ procedures are in place and are in line with relevant legislation. ○ Strategies/ policies are in place ○ Roles and responsibilities are appropriate. ○ Risk management arrangements are in place ➢ Pathway Plans - Review of pathway plans to ensure: ○ they are created and reviewed appropriately for all looked after children over 16 years old, in line with requirements and relevant timescales, ○ they have consulted multi-agencies where relevant ○ they have been appropriately authorised ○ record keeping is appropriate ➢ Performance Monitoring and Reporting - Review of ○ performance monitoring of pathway plans ○ internal and external reporting of pathway plans	Reasonable	1	2	1
13	Housing & Public Protection	**Procurement & Contract Management (Service KAF)** ➢ Governance ○ Policies and procedures are in place outlining the process and roles and responsibilities for the Service's Procurement & Contract Management. ○ Procurement & contract arrangements are adequately recorded and are	Reasonable	0	2	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		actively monitored. o Officers have received adequate procurement training. o Risks have been identified in a risk register. ➢ Compliance with Procurement Legislation & Financial Regulations o Procurement exercises have been undertaken in line with the Council's Financial Regulations and/or Procurement Legislation. o Procurement decision records are completed for all relevant activities. o Authorisation have been made in line with the scheme of delegation. o Contracts have been recorded in the Councils Contracts Register. o Reported breaches have been responded to actioned. ➢ Performance Monitoring - contract and supplier spend is monitored to ensure value for money is being achieved.				
14	Finance, Estates and Benefits	**Procurement (Core KAF)** ➢ Breach Reporting - review of the arrangements in place for ensuring breaches of Financial Regulations are recorded and reported in accordance with corporate processes. ➢ Legacy Waivers and Exemptions - review of the arrangements in place to ensure that legacy waivers and exemptions are revisited and supported by a new Procurement Decision Record as they lapse. ➢ Follow up previous recommendations	Reasonable	0	2	0
15	Public Health & Communities	**Public Health (Key Assurance Review)** ➢ Review of arrangements in the following areas: o Asset Management o Business Continuity & Resilience o Business Planning & Performance Management o Financial and Budget Management o Fraud Awareness and Whistleblowing o Health & Safety o Human Resources o ICT o Information Governance o Partnerships	Reasonable	0	3	5

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		○ Procurement ○ Project and Programme Management ○ Risk Management ○ Safeguarding				
16	Public Health & Communities	**Public Health Grant** ➢ Governance of grant funding - review of the arrangements in place to ensure receipt, recording and allocation of public health grant funding is effective. ➢ Management of delegated funds - review of the arrangements in place to ensure there is effective management of project and delegated monies to partners and council services including: ○ Decision making for allocation ○ Delivery agreements/memorandums of understanding ○ Ongoing monitoring of grant spend and delivery of objectives. ➢ Reporting - review of the arrangements in place to ensure: ○ effective regular internal performance reporting is undertaken to inform monitoring and decision making ○ the arrangements in place for providing evidence and return to central government in support of grant use are effective.	Reasonable	0	6	2
17	Housing & Public Protection	**Right to Buy (Counter Fraud)** ➢ Application Process ○ Review of the application process to ensure appropriate checks have been undertaken ○ Review to ensure that the discount calculations are applied correctly (including repayment of discounts) ➢ Counter Fraud Checks ○ Review of checks that are undertaken to verify an applicant's identity and address ○ Review of eligibility criteria and checks (including out of area tenants) ○ Legal compliance procedures including source of funds ○ Ensure adequate separation of duty over approval of RTB requests	Reasonable	0	4	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
18	Finance, Estates and Benefits	**Risk Management (Core KAF)** ➢ Governance o Review of the BCP Risk Management Strategy o Review of oversight and accountability of Risk Management at both a Corporate and Service level ➢ Management of Risk (Corporate and Service) o Review of Corporate & Service (on a sample basis) Risk Register content, relevance, monitoring, scoring and actions to ensure this is in line with best practice and the Risk Management strategy o Risk identification processes ➢ Compliance o Compliance arrangements are operating effectively to ensure compliance with the Risk Management strategy o Escalation procedures	Consultancy	-	-	-
19	Quality, Improvement, Governance & Commissioning	**BCP Safeguarding Partnership (Service KAF)** ➢ Governance arrangements - appropriate governance arrangements are in place and in line with statutory guidance ➢ Procedures - procedures are in place that all lead partners and relevant agencies can access ➢ Data Sharing - appropriate data sharing agreement is in place and relevant training is provided if needed ➢ Risk Management - review of the risk management process ➢ Funding - funding is appropriately documented, and lead partner (BCP) are receiving funds as scheduled	Reasonable	0	4	7
20	Adult Social Care	**Safeguarding (Core KAF)** Review corporate safeguarding arrangements including: ➢ Council's governance framework arrangements (including roles, responsibilities, and procedures for identifying and responding to safeguarding concerns) ➢ Review of monitoring and oversight. ➢ Safeguarding risks are considered and included as part of the corporate risk management framework and within corporate and service risk registers	Reasonable	0	2	1

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Safeguarding champions network in place, all directorates have nominated officers and attend network meetings ➢ Safeguarding mandatory training for all employees ➢ Safer recruitment, vetting & workforce procedures ➢ Commissioning & Procurement have proportional safeguarding requirements ➢ DBS checks and Safeguarding mandatory training is carried out for Councillors				
21	Marketing, Comms & Policy	**Sustainable Environment (Core KAF)** ➢ Review of previously confirmed activities to be undertaken by the service in 25/26 including strategy, governance & resourcing ➢ Review of the new LAEP (Local Area Energy Plan) action plan to confirm that actions are targeted, timely & monitored and reported on	Reasonable	0	1	0
22	Housing & Public Protection	**Temporary Accommodation and B&B Financial Management (Follow Up)** A follow-up of previous recommendations made including; ➢ Governance - review of performance reporting requirements, including format, frequency and content (ensuring that historic information is provided to enable trend analysis) to provide suitable assurance regarding management of Temporary Accommodation and B&Bs. ➢ Budget Setting – including review of: o Baseline budgets to ensure they align with current and anticipated expenditure. o Budgets to ensure they are accurately reflected in the Main Accounting system. o Financial monitoring reports to ensure they support timely and effective decision-making. o Temporary Accommodation Strategic Asset Management Project	Reasonable	0	0 (+ 1 previously raised)	2
23	Customer & Property	**Fire Safety – Corporate Buildings (Core KAF)** Review of: ➢ Fire Safety Position Statement ➢ Corporate building fire safety approach ➢ Responsibilities ➢ Evacuation Procedures ➢ Risk Improvement actions ➢ Training and Communication	Reasonable	0	5	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Previous audit recommendations				
24	Customer & Property	**Asset Management (Facilities Management) – BCP Leisure Centre Health & Safety Compliance (KAF)** Review of arrangements in place for the following health & safety compliance areas within Facilities Management: ➢ Asbestos ➢ Gas Safety ➢ Electrical Safety ➢ Water Hygiene ➢ Lifts	Partial	3	7	2
25	Adult Social Care	**Better Care Fund (BCF)** ***Note -*** *This was a* ***joint internal audit*** *between the internal audit providers of NHS Dorset ICB, Dorset Council and Bournemouth, Christchurch & Poole (BCP) Council; BDO LLP, SWAP Internal Audit Services and BCP Internal Audit team (BCP IA). A joint Terms of Reference was produced, and one report was issued, containing the findings, recommendations and management responses from the audit testing undertaken by BDO, SWAP and BCP IA.* Scope for BCP Internal Audit – Council's elements of the BCF ➢ Delivery and performance of the BCF. Informed decisions, exercise oversight of risks and performance. How issues are escalated and whether effective remediation taken ➢ Understand any concerns, gaps in information or areas of unfunded services ➢ Review overarching S75 Agreement and content of BCF 2025-26 Planning Template to confirm information is consistently documented and accurately reflected in reports ➢ For each funding flow received, the budget / cost centre will be established. For a sample of schemes, review what the funds are spent on, that this is monitored, there is a clear and transparent process delivering value in line with the BCF principles and priorities ➢ Review the activity data information that is linked to the BCF. Select a sample of KPIs and agree this to source system data to assess the quality and accuracy	Partial *Note – the BDO report format was used, with the following opinion:* Design Opinion – Limited Effectiveness Opinion – Moderate *For the purpose of this report, to allow consistency and understanding, this has been categorised as 'partial' in line with BCP Council IA Charter and procedures.*	2 (BCP) *(2 total)*	3 (BCP) *(4 total)*	1 (BCP) *(2 total)*

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		Key risks reviewed by all internal audit providers: ➢ Risk 1 - Lack of transparent reporting and robust governance arrangements for managing the BCFs resulting in ineffective oversight, lack of accountability and poor collaboration between Dorset and BCP Councils and NHS Dorset ICB ➢ Risk 2 - Funds are not being utilised in the areas prescribed could result in ineffective funding that fails to deliver the quality of care and outcomes people should expect from the services that are commissioned ➢ Risk 3 - Data is of poor quality and outcome measures / key performance indicators (KPIs) are not comprehensive, resulting in the inability to gain a valid and insightful understanding of how the service is performing.				
26	Adult Commissioning	**Care Technology** ➢ Governance – review of o ASC Prevention Strategy and policies/ procedures o Risk register relating to care technology. o Appropriate training is undertaken. ➢ Referrals and Issuing Care Technology Equipment - review of the referrals process and how care technology equipment is issued. ➢ Storage and Management of Care Equipment - review of the storage and maintenance of care technology equipment, including where it is kept and how it is recorded/ managed. ➢ Project Status – review of o Project progress including action plans and the monitoring. o Budget monitoring and financial management. ➢ Performance Monitoring and Oversight – review of o Performance monitoring including measures from the ASC Prevention strategy. o Oversight and decision making relating to care technology	Reasonable	0	2	1
27	IT & Programmes	**IT Equipment Asset Management (KAF)** ➢ Asset Register Accuracy o Identification, recovery and decommissioning of unused assets. o Review frequency and completeness of stocktake records o Review of arrangements for recording of assets including timely and effective	Reasonable	0	3	2

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		review and update of records for management and accounting purposes (including maintenance, inspections, acquisitions, disposals and write-offs). o Assess the accuracy and completeness of asset register data including reconciliation to Intune				
28	Planning & Transport	**Strategic Community Infrastructure Levy (CIL) Arrangements (including S106 Recommendations Follow Up)** ➢ Strategy/Policy/Procedures o Confirm the Strategy/Policy in place for CIL and Section 106 arrangements. o Assess implementation of strategic CIL spending priorities agreed by Cabinet ➢ Allocation and use of CIL funds - Review of arrangements to ensure that: o Allocation of CIL funds is in line with strategic infrastructure plans, supported by clear guidance and procedures and compliant with statutory requirements and the Local Plan. o Accounting and record-keeping systems with appropriate audit trails are in place to accurately capture CIL expenditure. o Detailed records are maintained of CIL-funded projects and regular compliance checks undertaken to ensure funding conditions are met. o Regular monitoring and reporting mechanisms are in place to track allocation and expenditure of CIL funds ➢ Expenditure deadlines - Review of arrangements for tracking and monitoring CIL funds to ensure that they are spent within prescribed deadlines. ➢ Project selection and prioritisation - Review of project selection and prioritisation arrangements to ensure: o CIL funds are directed towards the most beneficial infrastructure projects. o Appropriate stakeholder engagement and transparency in the allocation and use of CIL funds. ➢ Section 106 arrangements - Follow up of recommendations from the 2024/2025 audit.	Reasonable	0	5	7
	2026/27 Audit Plan					
29	Commercial Operations	**Flood and Coastal Erosion Risk Management** ➢ Flood and Coastal Erosion - High level review of how flooding, surface water flooding and coastal erosion governance, risks and controls are operating.	Reasonable	0	0	0

	Service Area	Audit & Scope/Risk	Audit Opinion	Recommendations		
				High	Med	Low
		➢ Cliff Management - Review how cliff management risks are managed and monitored and how these risks and mitigating actions are reported to senior management, considering: o Use of National Coastal Erosion Risk Mapping (NCERM) maintained by the Environment Agency. o Strategic Coastal Monitoring (e.g., Channel Coastal Observatory). o Regular Council Led Cliff Surveys. o Integration with Updated National Flood & Coastal Risk Assessments, maintained by the Environment Agency. o Development of a Cliff Management strategy				
Total Recommendations				**7**	**89**	**49**

Key:

Recommendation Priority	
High	actual / potential critical implications for achievement of the Service's objectives and/or a major effect on service delivery.
Medium	actual / potential significant implications for achievement of the Service's objectives and/or a significant effect on service delivery.
Low	actual / potential minor implications for achievement of the Service's objectives and/or a minor effect on service delivery.

Substantial Assurance	There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
Reasonable Assurance	Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
Partial Assurance	There are weaknesses in the control framework which are putting service objectives at risk.
Minimal Assurance	The control framework is generally poor and as such service objectives are at significant risk.
KFS	Key Financial System
KAF	Key Assurance Function

Partial Assurance Audit Opinions

5. There were four 'Partial' assurance audit report issued during the period as follows:

5.1 **Finance, Estates & Benefits – Asset Management (Estates)** – one high, five medium and three low priority recommendations were made to address the following issues – these include recommendations previously made:

High Priority	
Corporate Governance	The Council's Asset Register (held on Civica TechForge) is incomplete and is not reconciled to the Council's financial records (held on Dynamics)
Medium Priority	
Corporate Governance	Corporate Property Groups are not provided with management information from Civica TechForge – previous recommendation
Asset Valuation	Assets on Civica TechForge are missing valuations or have out of date valuations – previous recommendation
Asset Leasing	Reviews of lease rent reviews, break periods and endings are not carried out in a timely manner – previous recommendation
Asset Acquisition & Disposal	There are no Council-wide asset acquisition or disposal policies – previous recommendation
Strategic Asset Management Plan	The Property & Asset Action Plan set Management Plan does not have any SMART targets or formal reporting processes – new recommendation
Low Priority	
Corporate Governance	The terms of reference of the corporate property groups have not been reviewed – previous recommendation
Resilience	Activities within the estates team have not been taking places due to staff absence, potentially indicating a single point of failure – new recommendation
Rent Reviews	Civica TechForge is not being updated in a timely manner with the results of rent reviews – new recommendation

Note – in addition to the issues highlighted on the table above, the audit noted that asset condition surveys for corporate assets are not currently being undertaken. This issue will be included as part of the 2026/27 Facilities Management Internal Audit and has been raised as a significant governance issue on the 2025/26 Annual Governance Statement, due to its potential impacts including on health & safety.

5.2 **Finance, Estates & Benefits – Health & Safety** – one high and three medium priority recommendations were made to address the following issues:

High Priority	
Health and Safety Corporate Team – Proactive Inspections & Planning	There is no effective, risk assessed Inspection Plan which covers delivery of planned reviews (which are independent of routine service and statutory reviews). In addition, proactive inspections are not currently being carried out.
Medium Priority	
Internal Inspection Recommendations	There is no formal or consistent process to follow up, track or document the implementation of recommendations from an inspection.
Key Performance Indicators	There are currently no key performance indicators in place.
Incomplete Health & Safety Board Risk Register	Target dates for actions are not always provided.

5.3 **Customer & Property – Asset Management (Facilities Management) – BCP Leisure Centre Health & Safety Compliance** – three high, seven medium and two low priority recommendations were made to address the following issues:

High Priority	
Electrical – Out of date Electrical Installation Condition Report (EICR)	The EICR for Two Riversmeet Leisure Centre was scheduled for completion in March 2026; however, at the time of the audit it had not been carried out. The previous inspection in 2021 identified areas requiring action, Internal Audit have not been provided with assurance that corrective action has been taken.
Water – Water Tank Inspections	Water tanks at Dolphin and Rossmore Leisure Centres have not been subject to annual inspection in accordance with the 2025/26 inspection schedule and documented risk assessment for each leisure centre.
Compliance Reporting	There is no established formal oversight of inspection compliance.
Medium Priority	
Electrical- Inspection frequency	Inspection frequencies, which are currently completed every 5 years, are not currently aligned to the Institution of Engineering and Technology (IET) BS 7671 Guidance Note 3 which require a minimum of three yearly inspections and yearly inspections for swimming pool installations.
Water – Shower head inspections/cleaning	Shower head inspections/cleaning are not consistently completed at required three-monthly intervals, resulting in compliance gaps across all five leisure centres.

Water – Temperature control monitoring	At Rossmore, Dolphin, and Ashdown leisure centres (brought in-house in 2024), water temperatures are recorded manually by staff, but no evidence of these checks is provided to Facilities Management for oversight or central record-keeping.
Water – Contractor Inspection Records	Contractor inspection and maintenance records contain inconsistent or incomplete information.
Lack of Safety Management Plans	There are no safety management plans in place for corporate assets (as there is for BCP Homes) covering the following areas: Water (including written scheme of control); Electrical; Gas; Asbestos; Lifts.
Electrical – Electrical Installation Condition Report (EICR)	EICR's have not been able to be carried out in 2026/27 (financial year) due to delays in the appointment of a suitable contractor.
Gas – Insurance (Public Liability)	One contractor's schedule only allowed for £5m for public liability when the Council's requirement was £10m.
Low Priority	
Water – Legionella Risk Assessment	Ashdown Leisure Centre is operating without a Legionella Risk Assessment (LRA) in place as required by statutory Health & Safety requirements (COSHH, HSWA & Approved Code of Practice L8).
Asbestos – Inspection Notification	Notification of inspection requirements currently only goes to one officer.

5.4 **Adult Social Care – Better Care Fund** – two high, three medium and one low priority recommendations were made to address the following issues effecting BCP Council. Please note that other recommendations were made in relation other participants in the audit.

High Significance	
Unsigned S75 agreements	BCP Council has two Better Care Fund (BCF) Section 75 Agreements for 2025/26 (primary agreement and a separate agreement for the Integrated Community Equipment Service (ICES)). While both agreements have been formally approved and signed by the Council, they remain unsigned by the Integrated Care Board (ICB).
Use of Disabled Facilities Grant (DFG) Funding	BCP Council funds part of the ICES using the DFG. While the scheme has received the necessary approvals, this approach presents potential non-compliance with DFG requirements. DFG is intended to fund adaptations, typically involving fixed or permanent modifications to a property. However, ICES primarily provides portable and reusable equipment, which is not fixed to a property and may be reissued between users.
Medium Priority	
Lack of defined and documented collaborative working arrangements	Roles and responsibilities for Better Care Fund (BCF) planning, narrative development, financial reporting, and performance monitoring are not formally defined or consistently understood across Dorset Council, BCP Council, and the ICB. This has resulted in uneven workload distribution, where Dorset Council undertakes the

	majority of activity, and limited visibility of ICB commissioned services.
Monitoring of BCF schemes	BCP Council's financial monitoring of the Better Care Fund (BCF) is currently undertaken through existing budget management arrangements at cost centre and account code level, rather than on a discrete scheme-by-scheme basis. As a result, BCF-related expenditure is not always easily identifiable as distinct BCF spend.
Risk Management	There is no formalised risk management framework within BCP Council's Better Care Fund to enable senior management and the Health and Wellbeing Board to effectively identify, assess, and monitor overarching and scheme-level risks.
Low Priority	
Scheme-level performance monitoring	There are 'business as usual' monitoring processes in place covering over-arching Council service delivery however this is not split into individual BCF scheme KPIs as required by the BCF quarterly reporting template during 2024-25.

6. There were no 'Minimal' assurance audit reports issued during the quarter.
7. There were no "Risks Accepted" formally accepted during the quarter.
8. The status of **audits in progress** at the end of the quarter are outlined below:

	Service Area	Audit	Progress
2026/27 Internal Audit Plan			
1	Adult Social Care	Sight & Hearing Team	Fieldwork
2	Children's Directorate Wide	Information Governance (Service KAF)	Fieldwork
3	Customer & Property	Information Governance (Service KAF)	Fieldwork
4	Finance, Estates and Benefits	Debt Collection Write Off (Counter Fraud)	Fieldwork
5	Finance, Estates and Benefits	Organisational Debt Review	Fieldwork
6	Housing & Public Protection	CCTV	Fieldwork
7	IT & Programmes	Privileged Access Management	Fieldwork
8	IT & Programmes	Disaster Recovery	Fieldwork
9	People & Culture	Employee Declaration of Interests (Counter Fraud)	Fieldwork
10	Planning & Transport	Procurement (Service KAF)	Fieldwork
11	Quality, Improvement, Governance & Commissioning	Data Quality	Fieldwork
12	Adult Social Care	Adults System Payments (KFS)	Scoping
13	Children's Directorate Wide	Children's System Payments (KFS)	Scoping

14	Children's Social Care	Social Work Recruitment & Retention	Scoping
15	Finance, Estates and Benefits	Corporate Financial Management (KFS)	Scoping
16	IT & Programmes	Artificial Intelligence	Scoping
17	IT & Programmes	Service Desk	Scoping

9. The 2025/26 and 2026/27 Audit Plans were kept under review to ensure that any changes to risks, including emerging high risks, were considered along with available resource. The table below shows the changes which have been made to the Audit Plan during quarter 4. This also includes those audits which had not yet been agreed when the proposed 2026/27 Audit Plan was brought to Audit & Governance Committee in March.

Table showing amendments to the 2025/26 and 2026/27 Internal Audit Plan

Service Area	Audit	Added / Removed (Days)	Internal Audit Risk Score	Rationale
2025/26 Plan (March)				
There were no adjustments to the IA Plan during March 2026				
2026/27 Plan (Quarter 1)				
Proposed Audits included on the 2026/27 (those not included in the March A&G Report) – *these have been determined following the IA risk assessment and discussion with service management*				
Adult Social Care	Sight & Hearing Team	20	High	Scope to include a review of sight and hearing processes ensuring compliance with legislative requirements.
Adult Social Care	Supported Living & Placements	20	High	Scope to include a review of the Supported Living Service to ensure that processes comply with statutory requirements.
Adult Social Care	Autism Team	20	High	Scope to include a review of the Autism Team to ensure that processes comply with statutory requirements.
Commissioning	Tricuro	20	High	Scope to include a review of Tricuro arrangements to ensure risk, governance and controls operating effectively.
Children's Social Care	Unregistered Placements	20	High	Scope to include a review to ensure Children's Services consistently comply with approved policy and operational processes when placing and managing children in unregistered (and unregulated) provision, including authorisation, documentation, oversight and review requirements.
Education & Skills	Education Effectiveness	20	High	Scope to include a review of processes in improving pupil attendance and reintegration.
Housing & Public Protection	BCP Homes – Housing Complaints	15	High	Scope to include a review to ensure complaints are handled in line with the Housing Ombudsman Complaint Handling Code.

Adjustments to 2026/27 Plan				
Education & Skills	Wraparound Childcare	Removed (-20)	High	Following discussions with the Service it was considered that Virtual School presented a higher risk. Wraparound Childcare will be considered in future quarters/years.
Education & Skills	Virtual School	Added (+20)	High	
Housing & Public Protection	Disabled Facilities Grant	Removed (-10)	High	DFG was included as part of the Better Care Fund audit (see above) so separate audit is no longer required.
Customer & Property Operations	Awabbs Law* * requires social housing landlords to investigate & fix serious health hazards within legal timeframe	Removed (-15)	High	This was removed as the service is carrying out a compliance review (the results of which will be shared with Internal Audit). The days from this audit have been transferred to the BBML and Seascape audit.
Customer & Property Operations	BBML ***and Seascape***	Increased (+15)	High	The scope of the original audit was the governance & procurement arrangements for Bournemouth Building & Maintenance Ltd but this has been widened to include Seascape (using the days from Awabbs Law audit).
People & Culture	Pensions & Estimates	Removed (-10)	High	Pension estimates are no longer provided by BCP Council and therefore audit removed from the plan.
People & Culture	Employee Relations	Removed (-15)	High	Significant changes are currently being undertaken to the Grievance Procedure to incorporate new requirements from the Employment Act. The audit has been deferred until 2027/28 to enable testing of the new policy arrangements.
Counter Fraud	Moveable Assets (Commercial Operations)	Removed (-15)	Medium	This has been deferred until 2027/28 due to the decrease in resource caused by the current vacancy. It was selected as it was a medium risk and a second Moveable Assets audit, in Environment, remains on the plan for this year.
Net changes		-50	***Note*** *– due to other minor changes on the plan, such as minor increase to the days on other audits, the overall net position is currently -40.*	

10. Based on the progress against the plan to date, as shown in the paragraphs above, the plan is on track to be materially delivered in time to support the Chief Internal Auditor's annual audit opinion.

11. The audits provisionally planned for Quarter 2 are shown in the table below:

2026/27 Audits Planned for Quarter 2 – Provisional - unless otherwise stated, all audits are 'assurance'

	Service Area	**Audit**	**IA Risk Score**	**Provisional Scope – to be agreed with Management**
1	Education & Skills	Education Effectiveness	High	Review of processes in improving pupil attendance and reintegration.
2	People & Culture	Payroll (KFS)	High	Key Financial System review, provide assurance that key controls over Payroll (Starters, leavers, amendments, deductions) are operating

				effectively.
3	Finance, Estates and Benefits	Treasury Management (KFS)	High	Key Financial System review of the Councils investment and borrowing strategy are in line with best practice and agreed policy.
4	Housing & Public Protection	Voids & Lettings	High	Review to ensure properties are not left vacant for long periods of times resulting in delays to tenants being housed.
5	Commercial Operations	Health and Safety (Service KAF)	High	Review compliance with corporate H&S policies and procedures.
6	Environment	Highway Delivery	High	Review of the effectiveness of the governance and inspection arrangements in place.
7	Adults Commissioning	Tricuro	High	Provide assurance that risk, governance and controls operating effectively in Commissioning.
8	Investment & Development	Contract Management of Projects and Programmes (Service KAF)	High	Review of project & programme management arrangements, to include a sample of specific projects.
9	Planning & Transport	Management of Transport Capital Investment Projects (Service KAF)	High	Review of project & programme management arrangements, focusing on planning & approval of capital projects. Including costing/viability & application for funding. Including a sample of specific projects.
10	Finance, Estates and Benefits	Non-Domestic Rates (Business Rates) (Counter Fraud)	Medium	Review of controls to manage Business Rates Fraud Risks that "Incorrect declaration of circumstance leading to incorrect rates changes"
11	Finance, Estates and Benefits	Non-Domestic Rates (KFS)	High	Key Financial System review over management of Business Rates including review of discounts, exemptions, valuations and additions.
12	Finance, Estates and Benefits	Council Tax (KFS)	High	Key Financial System review of Council Tax collection, including review of discounts, exemptions, valuations and additions.
13	Finance, Estates and Benefits	Housing Benefit & Council Tax Reduction Scheme (KFS)	High	Key Financial System review over HB & CTRS including review of assessments and changes in circumstances.
14	Law & Governance	Information Governance (Core KAF)	High	Annual Key Assurance review on core provision of information governance compliance across the organisation.
15	Law & Governance	Information Governance (Service KAF)	High	Review compliance with GDPR and corporate policies and procedures
16	Finance, Estates and Benefits	Risk Management (KAF)	High	Review of the corporate Risk Management service, including how risks are identified, managed and assessed. Along with support provided to the

				wider organisation on risk management.

Significant Issues Arising and Other Work

12. An information finding exercise on debt held by the Council was undertaken as part of the 2025/26 audit plan. This was in preparation for the Organisational Debt Review, which was undertaken as part of the 2026/27 in Quarter 1.
13. Five Early Education Fund (EEF) audit final reports were issued during the Quarter. 32 reviews are planned for 2026/27 in total. No significant issues were identified.
14. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Standards.

Implementation of Internal Audit Recommendations

15. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first or subsequently agreed target date will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
16. At the end of June, there were eight high priority recommendations across five audits which have exceeded their original target date. Seven of these have all previously been reported to Audit & Governance Committee, and the reported revised target date has also been exceeded.
17. All other High Priority recommendations followed up during the period were found to have been satisfactorily implemented by management.
18. The Audit Charter also requires any Medium Priority recommendations where the original target date has been exceeded (or will exceed) by a year to be reported to Audit & Governance Committee. *(note – as agreed as part of the update to the Audit Charter in March, this has been reduced from 18 months to a year to enhance the reporting and escalating of outstanding recommendations to this Committee).*
19. As at the end of June, there were three medium priority recommendations which had been outstanding for over a year, one of which dates back to 2024 and has previous been reported to this Committee.
20. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required; explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.

Options Appraisal

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

Summary of financial implications

22. The BCP Council Internal Audit Team revised budgeted cost for 2026/27 is £827,100; this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.
23. At this stage of the financial year, based on assumptions for the remainder of the year, it is projected that spend will be within budget.

Summary of legal implications

24. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

25. The Internal Audit Team structure currently consists of 13.5 FTE. Following the departure of one of the Audit Managers, an internal candidate was appointed following an external recruitment process. This leaves a vacancy at the Auditor level in the team for which recruitment of an Audit Apprentice is underway. To address the resultant shortfall in resource for the year, temporary increase in hours for officers working part time has been approved.

26. In the annual report, the Chief Internal Auditor must provide an opinion on whether the resources are sufficient to provide Audit & Governance Committee and the Council's senior management with the assurances required. The Chief Internal Auditor is keeping this under active review to ensure sufficient coverage. This will include consideration of assurances provided by external bodies, such as CQC, Housing Inspectorate and Ofsted, as well as the breadth and depth of internal audit coverage provided. If necessary, the CIA will seek to appoint temporary resource to ensure that the Council is provided with an audit opinion, however, this is not considered necessary at this point given the measures put in place above.

27. A specialist IT audit contractor will be engaged to deliver the Network Security audit.

Summary of sustainability impact

28. There are no direct sustainability impact implications from this report.

Summary of public health implications

29. There are no direct public health implications from this report.

Summary of equality implications

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

Summary of risk assessment

31. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix 1 –High Priority recommendations – original / revised target date exceeded; and Medium Priority recommendations outstanding for a year beyond the original target date where not previously reported

Appendix 1 - High Priority recommendations where the original/revised target date for implementation was not met

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
HIGH PRIORITY RECOMMENDATIONS				
Children's Services – Health & Safety & Fire Safety (2024/25) – partial assurance One of the four high priority recommendations has been implemented; the three outstanding recommendations are shown below:				
A complete and accurate record of all buildings and sites under the responsibility of Children's Services should be in place, regularly updated and agreed between with the Corporate Fire Safety Team, Children's Service and the Asset Management Team.	30/6/25, 31/8/25; 31/12/25; 28/2/26; 31/3/26	The reconciliation of building records has been completed, and the service is implementing arrangements to ensure records are maintained and updated on a regular basis. The majority of buildings have been confirmed as being under the responsibility of their respective tenants or have trained LFSCs formally assigned to the buildings. However, there are three buildings which remain without an allocated LFSC that will be progressed as a priority. Evidence of fire checks have been sent to audit for the nine buildings that have been assigned a trained LFSC. This issue has been escalated to the Corporate Health, Safety and Fire Board by the Chair of the Children's HS&FB. LFSCs role requires review in order to encourage staff to take up the duties. A paper is being presented by Children's Services and the Fire Safety Officer.	31/10/26	Yes
All fire safety checks at Children's Services buildings must be completed according to their required schedule. Furthermore, ensure that there is adequate cover to undertake fire safety checks when a Fire Warden is unavailable.	31/5/25, 31/8/25; 31/12/25; 28/2/26; 31/3/26		31/10/26	Yes
All Children's Services buildings should have an assigned LFSC. This should be communicated to the Corporate Fire Safety Team. In addition, LFSCs should be up to date with the relevant fire safety training and this should be appropriately recorded.	30/9/25; 31/12/25; 28/2/26; 31/3/26		31/10/26	Yes
Asset Management (Estate Management) (2024/25) – partial assurance				
A reconciliation between financial records, Civica TechForge and paper records must be carried out at least annually to ensure that all assets are identified and recorded. The Corporate Property Officer should formally document the inefficiencies currently associated with Asset Management in a report to Cabinet and any other appropriate boards and panels	31/7/25; 31/3/26; 30/6/26	The original target date for this recommendation was 2030 for the asset reconciliation and July 2025 for the reporting to Cabinet on the risks and inefficiencies associated with this approach. Progress is confirmed to be ongoing with the reconciliation of the assets, however no evidence could be found that the	31/10/26 (2030 for full implemen	Yes

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
to ensure that there is widespread understanding within the organisation of these risks and inefficiencies.		risks and inefficiencies have been documented and reported to CMB or any other decision making body, suggesting that any decisions around additional resources has been informal. Whilst a service growth proposal had been prepared by the Strategic Asset Manager, it was confirmed that this has not been presented to a suitable board. The new interim CFO is considering options in how to unlock this piece of work as timely as possible	tation)	
Schools Finance (2024/25/26) – partial assurance				
Deficit recovery plans must be put in place for any maintained school in a reserve balance deficit as required by the DfE. Additionally, given the number of schools either in or nearing a reserve balance deficit position, consideration should be given to developing a strategic approach to identify potential cost-savings and efficiencies that could apply to multiple maintained schools.	31/1/26; 31/5/26	The Schools Finance Team are working with two schools to help them complete their Deficit Recovery Plans. These are still work in progress; there are regular meetings arranged to monitor these.	30/9/26	Yes
The current reserve deficit balances at Linwood should be considered (after implementation of the banding review) in any agreed deficit recovery plan. In addition, the implementation date of the Special School Banding Review should be confirmed with Schools Forum if this date is after September 2025.	31/3/26	Significant work is underway by Education and Finance colleagues, in collaboration with Linwood School, to develop a robust Deficit Recovery Plan. Further work is still required, with completion anticipated at the end of September 2026.	30/9/26	No
Linwood School (2023/24) – partial assurance				
That an action plan is developed in liaison with BCP Children's Services and School's Finance to establish an agreed recovery strategy for the deficit. That the cause of the deficit is investigated and agreed to ensure	30/9/24; 30/4/26	Significant work is underway by Education and Finance colleagues, in collaboration with Linwood School, to develop a robust Deficit Recovery Plan. Further work is still required, with completion anticipated at the end of September 2026.	30/9/26	Yes

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
the risk of additional future deficits of this kind is limited.				
Deprivation of Liberties Safeguards (2025/26) – partial assurance Of the two high and two medium priority recommendations made, one high and one medium priority recommendation remain outstanding				
That a risk assessment of the DoLS waiting list is undertaken and presented to the ASC Overview and Scrutiny Panel, including the national context, legal exposure, safeguarding risks to individuals and the activities currently being undertaken in response.	31/12/25; 31/3/26	This was due to be completed via a presentation to the April meeting of the Performance & Quality Executive Board, however, this was postponed due to the elections and is now due to take place in July.	31/7/26	Yes
MEDIUM PRIORITY – outstanding a year beyond the original target date (not previously reported / revised date exceeded)				
Developer Contributions (2023/24)				
Approval and implementation of revised Planning Scheme of Delegation should be expedited.	31/3/2024 31/12/2024 31/06/2025 31/03/2026	Structural changes in the service and other priorities have delayed this action. The Scheme is currently in draft and is being considered for final approval.	30/9/26	Yes
Homecare and Residential Payments (ASC) (2024/25)				
That overarching flow charts and/or Terms of Reference setting out the roles and responsibilities of all teams involved in RC and HC processes are established. That a resilience review of both HC and RC processes is undertaken to ensure that there are no single points of failure for different aspects of Mosaic functionality (i.e. setting up suppliers, adding packages, processing payment information to other systems etc).	31/1/25; 30/4/26	The Provider Portal project, which will address the recommendation, has been deferred due to a Mosaic freeze. An interim process is being considered to implement the recommendation. Internal Audit will also review this process as part of the Mosaic Payments Audit Review in Q2 2026 to establish interim arrangements are effective.	31/12/26	No
Partnerships (2023/24)				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
The responsible service director brings forward a paper to CMB: • initially to consider whether all existing partnerships are still required and fit for purpose to deliver corporate priorities efficiently and effectively, and thereafter to: • provide assurance (such as via a best practice checklist*) over the governance arrangements in place for key partnerships • agree and co-ordinate produce of relevant performance information to facilitate corporate oversight * similar to the recent exercise for companies	31/3/25	The majority of this recommendation has been implemented. The Head of Policy, Strategy and Partnerships is continuing to work with senior management to confirm whether all existing partnerships remain necessary and fit for purpose. An update on partnerships is due to be provided to the Corporate Strategy Board by October 2026. This will be an ongoing task with the register being reviewed annually by corporate management board (or the most appropriate senior forum).	30/11/26	No