Appendix A

Chief Internal Auditor's Annual Report and Opinion 2025/26

Introduction

1 This annual report is produced in compliance with the Global Internal Audit Standards (GIAS) (and supporting 'Application Note' for the public sector and CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government). The GIAS requires the Chief Internal Auditor to provide an annual overall internal audit opinion on the adequacy and effectiveness of governance processes, risk management, and internal control arrangements (internal control environment); this report covers the period 1 April 2025 to 31 March 2026.

2 The scope of the Council's internal control environment that the Chief Internal Auditor is required to provide an opinion on is set out in the Council's Assurance Framework. The opinion given by the Chief Internal Auditor assists the Audit & Governance Committee in forming their view on the Annual Governance Statement.

Chief Internal Auditor's Audit Opinion 2025/26

3 The establishment of adequate and effective control systems is the responsibility of management. Internal Audit reviews were conducted using risk-based scoping, planning and sampling methodology; consequently, not every Council activity, transaction or project has been reviewed in-year by Internal Audit. It therefore follows that the Chief Internal Auditor is unable to provide absolute assurance that the internal control environment is operating adequately and effectively.

4 Based on the work undertaken by Internal Audit during 2025/26, it is the opinion of the Chief Internal Auditor that:

- a arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (internal control environment) and that where weaknesses were identified there were appropriate action plans in place to address them;
- b the systems and internal control arrangements were effective and agreed policies and regulations were generally complied with;
- c adequate arrangements were in place to deter and detect fraud;
- d there was an appropriate and effective risk management framework;
- e managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
- f the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
- g the arrangements in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".

5 This opinion is a professional judgement based on the results of the Internal Audit work undertaken and reported upon during 2025/26. Whilst some internal control weaknesses and non-compliance with policies were identified during Internal Audit reviews, the context and overall materiality relative to the Council's wider control environment was a vital consideration in the overall judgement. Corrective actions have been agreed with management and this willingness to respond to and correct issues raised during audit reviews is a further key aspect in the Chief Internal Auditor giving an 'unqualified opinion'.

Basis of the Chief Internal Auditor's Opinion – A summary of work undertaken in 2025/26

Regularity Audit Work

6 The work of Internal Audit is designed to provide an annual opinion on the adequacy and effectiveness of the internal control environment (governance processes, risk management and internal control arrangements). The work carried out in 2025/26 to provide the annual opinion was agreed by the Audit & Governance Committee.

7 The work has taken into account the strategies, objectives and risks of the Council as part of the audit planning process.

8 All Service directorates had some form of audit coverage during 2025/26. 77 out of 77 audits of the in-year revised audit plan were fully completed (100%). Less audit resource than planned was available during the year due to an Audit Manager post being filled on a part-time basis. In addition, more time than planned was spent on:

- Further work to embed compliance with the new Global Internal Audit Standards including revising audit processes.
- Populating the new audit planning module of the audit management system.
- Servicing Audit & Governance committee meetings, including report preparation and responding to member queries.
- A significant investigation carried out by the Chief Internal Auditor.

While the overall opinion will always be a matter of professional judgement for the Chief Internal Auditor, the amount and type of work and risk-based approach carried out on the audit plan was sufficient for this overall Chief Internal Auditor's opinion to be robustly evidenced. A list of all audits completed during 2025/26 is attached at Annexe 1.

9 Each audit report provides an overall level of assurance on the adequacy of the management arrangements to manage the identified risks within the area reviewed. The assurance level definitions are as follows:

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

10 The list of 77 audits carried out during 2025/26 is shown in Annexe 1 which includes the assurance level given for each review.

In summary, 67 'Reasonable' and 7 'Partial' assurance level opinions were given during the year. Additionally, 3 'position statement' reviews were also carried out during 2025/26. There were no Minimal assurance opinions given for any of the audits. Whilst the 'Partial' opinion audits are reported during the quarterly reporting to Audit & Governance Committee, it is good practice to summarise and state these again in this annual report, these were:

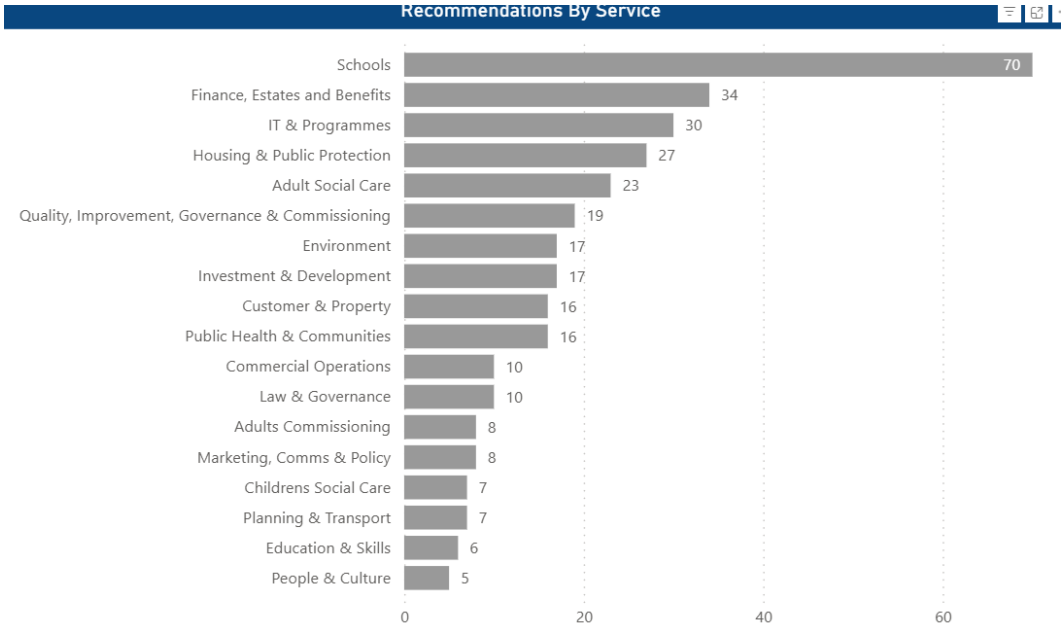
	Audit	High Priority recommendations to improve controls covering:
1	Adult Social Care – Deprivation of Liberty Safeguards (DoLS)	There is a significant waiting list of Deprivation of Liberty Safeguards assessments awaiting allocation, the majority of which are outstanding in excess of legislative timeframes. The capacity and effective deployment of different types of Best Interest Assessors requires improvement.
2	Children's Commissioning, Resource & Quality – Out of Borough Placements	It cannot be confirmed that there are Out of Borough notifications for all 2025/26 Out of Borough provision.
3	Finance, Estates & Benefits – Health & Safety	There is no effective Inspection Plan currently in place which has been risk assessed in order to make best use of resources. In addition, inspections are not currently being carried out.
4	Finance, Estates & Benefits – Asset Management (Estates)	Data on Civica TechForge is incomplete and not reconciled to Dynamics - previous recommendation
5	Environment – Passenger Transport	Personal Travel Budgets (PTB) agreements do not state that they are to be used for transportation to school use only and checks on the use of PTB are not carried out including verification of the young person's attendance at school
6	Customer, Arts & Property - Asset Management (Facilities Management) Leisure Centres Health & Safety Compliance	The electrical installation condition report for Two Riversmeet Leisure Centre was scheduled for completion in March 2026; however, at the time of the audit it had not been carried out. The previous inspection in 2021 identified areas requiring action, Internal Audit have not been provided with assurance that corrective action has been taken. Water tanks at Dolphin and Rossmore Leisure Centres have not been subject to annual inspection in accordance with the 2025/26 inspection schedule and documented risk assessment for each leisure centre. The Head of Service has not established formal oversight of inspection compliance, resulting in estimates being used for senior management reporting.
7	Better Care Fund	BCP Council has two Better Care Fund (BCF) Section 75 Agreements for 2025/26 (primary agreement and a separate agreement for the Integrated Community Equipment Service (ICES)). While both agreements have been formally approved and signed by the Council, they remain unsigned by the Integrated Care Board (ICB). BCP Council funds part of the ICES using the DFG. While the scheme has received the necessary approvals, this approach presents potential non-compliance with DFG requirements. DFG is intended to fund adaptations, typically involving fixed or permanent modifications to a property. However, ICES primarily provides portable and reusable equipment, which is not fixed to a property and may be reissued between users.

11 During 2025/26 regularity audit work was undertaken covering a range of systems in different service areas and schools and included audits of the following fundamental Council financial systems: Main Accounting (with Financial Management), Creditors, Debtors, Housing Benefits & Council Tax Reduction Scheme, Treasury Management, Social Services Financial Assessments, Payroll, Council Tax and NDR systems (as set out in Annexe 2). Note the Housing Rents audit covered the 2024/25/25 financial year and was reported as part of the 2024/25 CIA Annual Report.

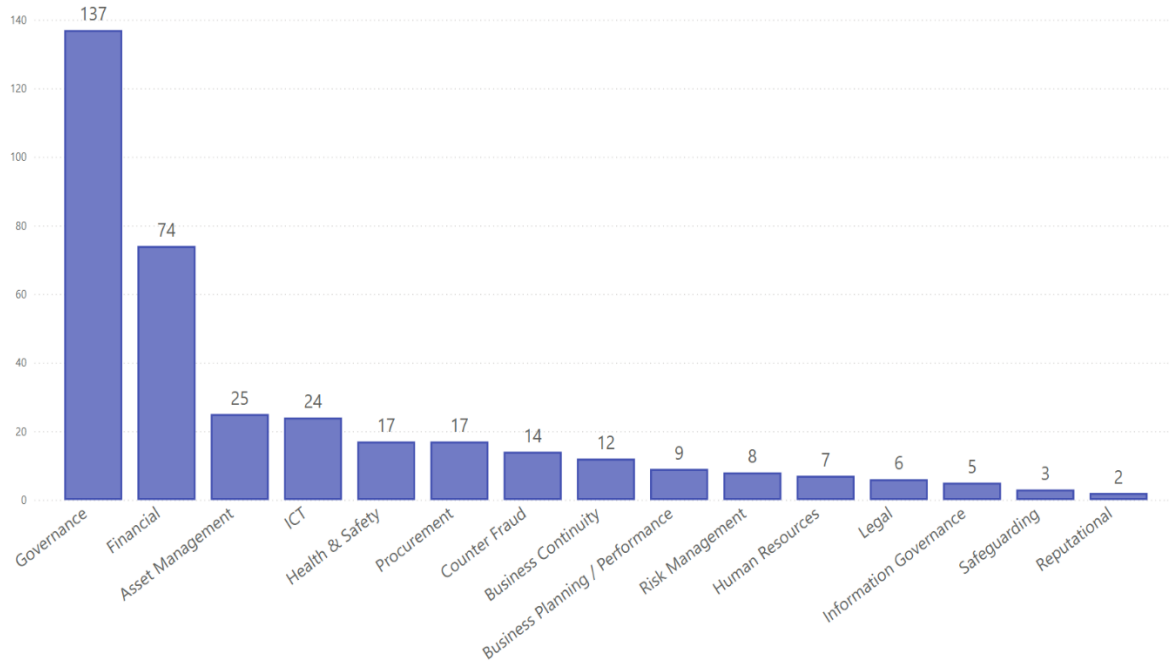
12 The Council's Assurance Framework (as set out at Annexe 3) has been populated to show Internal Audit coverage during 2025/26 over the significant risks facing the Council which has been carried out through Key Assurance audit reviews.

13 Recommendations were made throughout the year across all service areas and schools, and action plans detailing management actions to mitigate the risks and control weaknesses identified have been agreed in all cases.

14 During the period 1 April 2025 to 31 March 2026, a total of 330 recommendations were raised (compared to 255 in 2024/25 and 257 in 2023/24), all of which were accepted by management; the table below summarises the service areas in which these recommendations were made.



15 The table below summarises the recommendation themes identified during the year, highlighting that governance and financial recommendations have been the most common control improvements in 2025/26 and are expected to remain key focus areas in 2026/27.



16 The establishment of robust follow-up procedures has provided assurance that the implementation of audit recommendations is high. The quarterly update report to this committee provides an ongoing status update of recommendations and any that require escalation.

17 It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date must be reported to the Audit & Governance Committee. This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.

18 Several high priority recommendations, where target dates had passed but the recommendation had not been implemented, were reported to the committee who were satisfied that a revised target date was appropriate for some good reason.

19 Auditees score individual areas of the audit process resulting in a combined total client satisfaction score (5-Very Good, 4-Good, 3-Satisfactory, 2-Poor, 1-Very Poor). The following average auditee satisfaction scores were received during 2025/26:

Year	Audit completed within expected timescales	Adequately consulted and able to highlight concerns/risks	Helped to manage risks, improve controls and governance	Report clear, concise, well presented and understandable	Overall
2023/24	4.69	4.72	4.69	4.66	4.69
2024/25	4.52	4.66	4.59	4.52	4.57
2025/26	**4.68**	**4.88**	**4.59**	**4.79**	**4.74**

20 The overall average score of 4.74 for 2025/26 illustrates a very high level of satisfaction with the way in which audits are conducted and exceeded the performance target of 4 (Good). This shows that management recognise the value added by the Internal Audit team, which provides timely, clear and independent advice on the establishment and adequacy of the control environment.

Counter Fraud Work

21 Counter Fraud work was undertaken during 2025/26 to further improve the Council's arrangements for combating fraud & corruption. This work included reviewing selected fraud risk areas such as Contract Payments, Moveable Assets, Housing Right to Buy, Blue Badges, Adult Social Care Direct Payments, Cash Income (Seafront Arcade), and Concessionary Travel.

22 Proactive counter fraud work is carried out including obtaining information on frauds that have occurred in other local authorities (through sources such as the National Anti-Fraud Network). The information is assessed for risk exposure within BCP Council and assurances are sought that existing controls would prevent the fraud occurring.

23 Internal Audit have continued to provide specialist investigative resource to support management with high risk fraud areas (housing tenancies, right to buy and blue badges). Work was also carried out on coordinating the annual Cabinet Office National Fraud Initiative (NFI) data matching exercises.

24 The annual evolution review of the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy, Regulation of Investigatory Powers Act and Investigatory Powers Act Policy, and Financial Regulations were undertaken by the Internal Audit team during the year and new policies were agreed by this Committee for 'go live' on the first day of the new financial year (1/4/26).

25 Internal Audit have carried out proportionate investigations during the year in response to every identified or suspected case of financial irregularity. A full report covering the 2025/26 financial year will be presented to this Committee in October 2026.

26 Outcomes of the counter fraud work (including concluded investigations and NFI results) are incorporated into the Internal Audit Counter Fraud Work and Whistleblowing Referrals annual report which will be presented to the October 2026 Audit & Governance Committee meeting.

Risk Management Framework

27 A high-level audit review of the Risk Management key assurance function was carried out which confirmed:

- There is a Corporate Risk Register which is regularly reviewed by Senior Management and relevant Boards and reported to Audit & Governance Committee on a quarterly basis
- Service Risk Registers are in place for all Directorates and as indicated above, Internal Audit has completed some assurance work on a sample of these registers
- There is a Corporate Fraud Risk Register in place which has been shared with Directorates
- The Information Governance Risk Register is being reviewed currently by Internal Audit
- There is a newly updated Risk Management Policy in place which has been noted by Audit & Governance Committee in February 2026 and approved by Corporate Management Board.

28 A new Risk Management Policy has been introduced, and the organisation is currently updating its approach to risk through the implementation of an Enterprise Risk Management (ERM) framework. A more detailed audit review is planned for 2026/27 to evaluate the updated policy and ERM approach once these have been further developed and embedded.

Governance Work

29 Internal Audit completed some specific governance reviews during the year (in addition to key assurance functions work) :

- Strategic CIL Governance Arrangements – 'Reasonable' Audit Opinion
- Officer Decision Records – 'Reasonable' Audit Opinion
- Better Care Fund – 'Partial' Audit Opinion

Where applicable, recommendations were made to improve internal control and governance arrangements.

30 The Local Code of Governance update is being taken to this Committee meeting as part of the Annual Governance Statement report.

31 Progress made against actions arising from the 2024/25 Annual Governance Statement has been reviewed and was presented to the Audit & Governance Committee in January 2026.

32 Work was undertaken to compile the 2025/26 Annual Governance Statement for inclusion in the Council's statement of accounts. The preparation of the statement included reviewing the Management Assurance Statements (evaluation on the adequacy and robustness of management controls) completed by Service Directors.

Other Work

33 Work was undertaken during the year to certify grant and external funding schemes totalling over £13 million as required by the grant funding conditions. The grants included:

- Various Department for Transport grants;
- Disabled Facilities Grant;
- Early Education Funding;
- Public Health Grant

34 Internal Audit undertook internal audit reviews of the Charter Trustees of Bournemouth and the Charter Trustees of Poole, as requested, to support their Annual Governance and Accountability Returns (AGAR). This work was provided on a fee-charged basis.

35 Work was carried out to provide assurance on compliance with the Declaration of Interests, Gifts & Hospitality Policy, specifically the necessary completion of Form 2s by Tier 4 and above officers and is being reported separately to this committee meeting in under the 'Annual Review of Register of Declarations of Interests, Gifts and Hospitality by Officers Report 2025/26' report.

36 Assurance over funding allocated to nurseries and pre-schools was completed during the year. All 32 planned reviews for 2025/26 were delivered, with no significant issues identified.

37 Support and advice has been provided on breaches of Financial Regulations which is included in a separate report to this committee meeting.

38 Internal Audit also continued to support the independent review of Local Government early retirement appeals on the grounds of ill health during the year.

39 Officer time was also spent on supporting the equalities network corporate group.

40 Internal Audit has completed its planned actions under the Data Analytics Strategy to enhance the effective and efficient delivery of assurance. During 2025/26, specific assurance reviews were conducted using data analytics and continuous auditing techniques, focusing on purchasing card transactions, employee expenses, and creditor payments under £250 that were automatically approved.

41 Significant time was spent during 2025/26 by the Chief Internal Auditor on leading an investigation into the arrangements in place for the creation, operational running and closure of BCP FuturePlaces Limited following the agreed scope at the 29 May 2025 committee. The Audit & Governance Committee received the outcome in the form of a report presented in three parts due to its length and detail in 2025/26, and it was proposed that the committee would monitor the implementation of report recommendations utilising the agreed methodology for High recommendations.

Compliance with Professional Standards

42 The new Global Internal Audit Standards (GIAS) came into effect on 1 April 2025, replacing the Public Sector Internal Audit Standards. A report presented to the Audit & Governance Committee on 20 March 2025 provided an overview of the new standards and confirmed that, following a self-assessment, the internal audit function was assessed as 'generally conforming' across all standards and domains.

43 An action plan has been put in place, with work carried out during 2025/26 to review processes, as set out in the table below, which demonstrates compliance.

Standard	Action	By when?	Status
Domain II – Ethics & Professionalism			
1.1 Honesty & Courage	Update Audit Manual with reference to new standards including ethical requirements	June 2025	Completed
3.1 Competency, Domain IV - 10.2 Human Resources Management	Undertake assessments against the competency framework for all auditors and ensure the outcomes are used to identify necessary support and training.	June 2025	Completed
Domain III – Governing the Internal Audit Function			
Introduction, 6.1 Mandate, 6.2 Charter, 6.3 Board & Senior Management support, 7.1	Consider and document, in conjunction with senior management, the enhancements required to current arrangements in relation to the GIAS as they apply to BCP Council, including: • Requirements of Domain III • Support of the Mandate	June 2025	Completed

Standard	Action	By when?	Status
Organisational Independence	• Agreement of the Charter • Support of the Internal Audit function • Chief Internal Auditor's independence		
8.3 Quality, 12.2 Performance Management	Consult with senior management to determine their involvement in internal audit's performance management including: • Receiving reports on quality assessments • Input into performance objectives • Participation in the annual self-assessment	June 2025	Completed
8.4 External Quality Assessments	Senior management* will be formally consulted regarding the scope and frequency of external assessments	August 2026	This is being consulted on as part of current EQA
Domain IV – Managing the Internal Audit Function			
9.2 Internal Audit Strategy	Review the Internal Audit Strategy with senior management	June 2025	Completed
11.3 Communicating Results	Include recommendation themes into audit planning and report to Audit & Governance Committee as part of the Chief Internal Auditor's Annual Report	July 2025	Completed
Domain V – Performing Internal Audit Services			
13.2 Engagement Risk Assessment, 13.4 Evaluation Criteria	Include use of service performance management and measurements against objectives on the Planning Checklist and in the Audit Manual. Give consideration as to whether this needs to be specifically included as a prompt on working papers.	Sept 2025	Completed
13.2 Engagement Risk Assessment	Establish a library of standard work programmes which can be used as a starting point for future audits.	Sept 2025	Commenced and Ongoing
14.3 Evaluation of Findings	Establish a methodology for undertaking root cause analysis, how this be recorded and how this will be reported.	Sept 2025	Completed
Topical Requirements			
Topical Requirements	Establish a process to ensure that all Topical Requirements are considered as part of all relevant audits and include this as part of the Audit Manual and standard documentation.	Sept 2025	Completed

44 The GIAS require the Council to put in place a quality assurance and improvement programme in respect of Internal Audit, which must include both external and internal assessments.

45 CIPFA concluded that the BCP Internal Audit Team conformed with the previous standards (Public Sector Internal Audit Standards) following their external assessment in June 2021. An external assessment is required every five years under GIAS; accordingly, the next review is scheduled for autumn 2026.

46 All Auditors sign an annual declaration of the Institute of Internal Auditor's (IIA) code of ethics, which confirms that they will remain independent and will report any conflicts of interest to the Chief Internal Auditor or Head of Finance. In undertaking all audit reviews, officers have acted independently, objectively and ethically at all times.

47 In accordance with the Audit Charter, the Deputy Chief Internal Auditors have overseen all audit engagements for functions that are managed by the Chief Internal Auditor (Emergency Planning, Business Resilience, Risk Management, Insurance and Health & Safety) and reports have been provided directly to the Head of Finance, Estates and Benefits.

48 The CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations" demonstrates the Head of Internal Audit's (HIA) critical role in delivering the organisation's strategic objectives. An annual self-assessment has been carried out in respect of the five principles contained in this document, which states that the HIA:

a should promote good governance, assess the adequacy of governance and management of existing risks, and advise on proposed developments;
b should give an objective and evidence based opinion on all aspects of governance, risk management and internal control;
c must be a senior manager with regular and open engagement across the organisation with the Leadership Team and the external auditor;
d must lead and direct an internal audit service that is resourced to be fit for purpose; and
e must be professionally qualified and suitably experienced.

49 The Chief Finance Officer (CFO) has confirmed, through regular 1:1 meetings and a formal annual appraisal, that the Council's Chief Internal Auditor is compliant with all of these five principles.

Internal Audit Strategy and Performance

50 The Internal Audit Charter contains the BCP Council Internal Audit Strategy which was presented to the Audit & Governance Committee in March 2025 and set out the teams overall vision "to continuously improve the risk, control and governance arrangements across the Council" for the period 2025-2028.

51 The Strategy contains five strategic objectives:

- To ensure full compliance with GIAS standards
- To use artificial intelligence to support audit work
- To ensure the Internal Audit Team includes fully trained/ qualified Apprentices
- To ensure data analytics is fully embedded within Internal Audit assurance work
- To have a fully functioning internal auditing management system

52 Progress has been made across all five areas. This includes implementing a GIAS action plan, incorporating artificial intelligence into audit planning and delivery, advancing professional training, introducing data analytics within audits, and developing an audit planning module within the audit management system.

53 The Internal Audit Charter incorporates the Internal Audit Data Analytics Strategy for 2025–28. During 2025–26, a number of actions were undertaken to strengthen the integration of data analytics within the Internal Audit function. These included delivering assurance work using analytics on selected datasets (such as debtors and payroll), reviewing the most effective methods for reporting findings, exploring data matching techniques for counter-fraud purposes, and providing training to the team on the effective use of artificial intelligence in data analytics.

54 The Internal Audit Charter also contains a Quality Assurance and Improvement Programme required under the GIAS which includes internal audit performance measures. The results against these measures for 2025/26 that are required to be reported to the Audit & Governance Committee annually are set out below. It can be demonstrated that, overall, performance targets were substantially achieved:

Internal Audit Objective: To strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.		
Internal Audit is adequately resourced to allow the CIA to conclude on their Annual Opinion		
REF	**PERFORMANCE TARGET**	**2025/26 Outcome**
1A	To complete (Final Audit Reports) the final revised annual audit plan by 30 May (where fieldwork falls in March) or 31 July (where fieldwork falls after March) for agreed cross-year audit engagements.	**Substantially Achieved** All 77 audits reached draft stage by 30 May (72 finalised), with the remaining five finalised before the end of June 2026
Internal Audit provides an effective and efficient service		
2C	100% of customer satisfaction surveys received rate the service as good (score of 4) or above.	**Substantially Achieved** 94% of surveys received were scored 4 or above (32 out of 34 received). Average score of 4.74 during 2025/26
2E	100% of High and Medium non-implemented recommendations comply with the Escalation Policy.	**Achieved** 100% of non-implemented recommendations escalated in accordance with the policy during 2025/26 where required. Including some being reported to Audit & Governance Committee
2F	Conduct annual internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and CIPFA application note.	**Achieved** Internal assessment carried out and action plan in place to ensure full compliance arrangements.

Conclusion

55 During 2025/26, Internal Audit completed all audits within the revised audit plan and issued 67 Reasonable assurance opinions, 7 Partial assurance opinions and 3 Position Statements. No Minimal assurance opinions were issued. A total of 330 recommendations were agreed by management and client satisfaction remained high, with an overall score of 4.74 out of 5. These results provide a strong evidence base supporting the Chief Internal Auditor's annual opinion

56 It is the opinion of the Chief Internal Auditor that the Internal Audit Team complies with professional standards and has completed sufficient and appropriate work to provide assurance on the adequacy and effectiveness of the Council's internal control environment.

Appendices

Annexe 1 2025/26 Audits Completed
Annexe 2 Key Financial System Audit Opinions
Annexe 3 BCP Council Assurance Framework 2025/26

Annexe 1: 2025/26 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE DIRECTORATE AUDITS		
1	Adult Social Care	Deprivation of Liberty Safeguards	Partial
2	Adult Social Care	Extra Care Housing	Reasonable
3	Adult Social Care	Community Mental Health	Reasonable
4	Commissioning	Better Care Fund	Partial
5	Commissioning	Care Technology	Reasonable
6	Housing & Public Protection	Leaseholder Charges	Reasonable
7	Housing & Public Protection	Food Safety Regulatory Compliance	Reasonable
8	Housing & Public Protection	Procurement & Contract Management (KAF)	Reasonable
9	Housing & Public Protection	Temporary Accommodation and B&B Financial Management (Follow-up)	Reasonable
10	Children's Commissioning, Resources and Quality	Out of Borough Placements	Partial
11	Children's Commissioning, Resources and Quality	Complaints	Reasonable
12	Children's Commissioning, Resources and Quality	Safeguarding - BCP Safeguarding Partnership	Reasonable
13	Children's Social Care	Parenting Assessment Team	Reasonable
14	Children's Social Care	Pathway Plans	Reasonable
15	Education & Skills	Adult Learning	Reasonable
16	Education & Skills	Children's Capital Programme	Reasonable
17	Public Health	Public Health Grant	Reasonable
18	Public Health	Public Health (Key Assurance Review)	Reasonable
19	Wellbeing Directorate	Human Resources (KAF)	Reasonable
20	Customer & Property Operations	In House Team Operating Model – Housing Revenue Account Charges	Reasonable
21	Customer & Property Operations	Business Continuity (KAF)	Reasonable
22	Customer & Property Operations	Corporate Complaints	Reasonable
23	Planning & Transportation	Strategic CIL Governance Arrangements	Reasonable
24	Planning & Transportation	Bus Subsidy Arrangements	Reasonable
25	Planning & Transportation	Business Planning & Performance Management and Risk Management (KAFs)	Reasonable
26	Commercial Operations	Business Continuity KAF	Reasonable
27	Environment	Passenger Transport Operations	Partial
28	Investment & Development	Business Continuity (KAF)	Reasonable
29	Investment & Development	Procurement (KAF)	Reasonable
30	People & Culture	Business Continuity (KAF)	Reasonable
31	People & Culture	Business Planning & Performance Management (KAF)	Reasonable
32	Law & Governance	Risk Management (KAF)	Reasonable

	Service Area	Audit	Assurance Opinion
33	Law & Governance	Local Land Charges	Reasonable
34	Law & Governance	Officer Decision Records	Reasonable
35	IT & Programmes	Citizen Development (Application Development)	Reasonable
36	IT & Programmes	BACS Bureau	Reasonable
37	IT & Programmes	Guest WiFi Networks	Reasonable
38	IT & Programmes	IT Equipment - Asset Management	Reasonable
39	IT & Programmes	Licensing	Reasonable
40	Marketing, Communications & Policy	Social Media Management	Reasonable
	KEY ASSURANCE FUNCTION AUDITS		
41	Customer, Arts & Property	Asset Management (Facilities Management) Leisure Cer Health & Safety Compliance	Partial
42	Finance	Asset Management (Estate Management)	Partial
43	Finance	Business Continuity & Emergency Planning	Reasonable
44	Finance	Financial Management (with Main Accounting KFS)	Reasonable
45	Finance	Health & Safety	Partial
46	Customer, Arts & Property	Fire Safety	Reasonable
47	People & Culture	Human Resources (Core KAF)	Reasonable
48	Finance	Procurement	Reasonable
49	IT & Programmes	Project & Programme Management	Reasonable
50	IT & Programmes	ICT (Core KAF)	Reasonable
51	Finance	Risk Management	Position Statement
52	Marketing, Communications & Policy	Service Planning & Performance Management	Position Statement
53	Adult Social Care	Corporate Safeguarding	Reasonable
54	Marketing, Communications & Policy	Sustainable Environment	Reasonable
55	Marketing, Communications & Policy	Partnerships	Position Statement
56	Law & Governance	Information Governance	Reasonable
	KEY FINANCIAL SYSTEMS AUDITS		
57	Finance	Housing Benefits & Council Tax Reduction Scheme	Reasonable
58	Finance	Council Tax	Reasonable
59	Finance	Non Domestic Rates	Reasonable
60	Finance	Main Accounting (with Financial Management)	Reasonable
61	Finance	Creditors	Reasonable
62	Finance	Debtors	Reasonable
63	Finance	Treasury Management	Reasonable
64	Finance	Social Care Financial Assessments	Reasonable
65	Finance	Payroll (KFS & Data Analytics)	Reasonable
	SCHOOL AUDITS		
66	Children's Services	Burton CE Primary School	Reasonable
67	Children's Services	Highcliffe St Mark Primary School	Reasonable
68	Children's Services	St Joseph's Catholic VA Primary School	Reasonable

	Service Area	Audit	Assurance Opinion
69	Children's Services	The Priory CE VA Primary School	Reasonable
70	Children's Services	St. Edwards RC/CE VA School	Reasonable
	COUNTER FRAUD AUDITS		
71	All service areas	Contract Payments	Reasonable
72	All service areas	Moveable Assets	Reasonable
73	Housing & Public Protection	Right to Buy	Reasonable
74	Customer & Property Operations	Blue Badges	Reasonable
75	Adult Social Care	Direct Payments	Reasonable
76	Commercial Operations	Cash Income - Seafront Arcade	Reasonable
77	Planning & Transport	Concessionary Travel	Reasonable

Audits Deferred (for Consideration in 2026/27), Removed or Added

	Service Area	Audit	Comment/ rationale
1	Commissioning Resources & Quality	Quality Assurance (Business Planning & Performance Management)	This was removed from the plan in agreement with the Children's Services management team. This had been covered by the Ofsted Inspection in December 2024. It was included in "The impact of leaders on social work practice with children and families" which was judged as "good" and specifically reported that "Quality assurance (QA) arrangements are now effective. A comprehensive, holistic and learning approach to QA is well established. Regular practice learning reviews with social workers are now embedded, helping to improve outcomes for children and support practice improvement for individual social workers. Thematic practice learning weeks are much valued by workers in helping to improve their learning and enhance their practice." Given how recently this area was reviewed by Ofsted, who are the subject matter experts, this assurance was considered suitable, and that additional assurance in this area was not required at this time. The audit will be considered as part of the 2026/27 audit plan.
2	Environment	Mortuary Digitisation	Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and a Coroners & Mortuary Audit was undertaken in 2024/25/26 and will be reported to the next Committee.
3	Operations	Health & Safety (Service KAF)	Due to resource pressures caused by the Audit Manager vacancy, IA identified the need to remove some time from the IA plan. This was selected as IA had assessed this as medium risk and core Health & Safety audit will be undertaken during 2025/26.
4	Housing & Public Protection	Housing Quality New Social Housing Regulations Compliance	The Regulator of Social Housing have announced they are carrying out an inspection at BCP Council in October, the scope of which is anticipated to cover the same areas as the proposed audit. Internal Audit have provided information to the service in preparation for the inspection. Assurance for this area in 2025/26 will be provided by the Inspectors' report.

5	Housing & Public Protection	Port Health	This has been postponed to 2026/27 due to the gap in resource identified in paragraph 9 above. This was chosen as it was a 'medium' risk.
6	ASC Commissioning	ASC Commissioning Recommendation Follow Up	The recommendations for this audit will be followed up as part of the standard follow up process. Although no issues are anticipated, if any concerns are identified as part of the normal process, then a targeted audit will be undertaken. Assurance for this area in 2025/26 will be provided via the standard follow up process and outstanding recommendations flagged in the Quarterly report process.
7	Commercial Operations	Major Events Governance	This has been postponed to 2026/27 to allow for the Council's response to Martyn's Law to be included in the scope. A full audit of this area was carried out in late 2022/23 and the recommendations have recently been followed up.
8	Commercial Operations	Business Continuity (Service KAF)	In conjunction with the Service Manager, this was added as a replacement audit for Major Events Governance to ensure sufficient audit coverage in Commercial Operations. The scope will include review of business continuity arrangements in the service, including compliance with corporate requirements.
9	Housing & Public Protection / Custor & Property	Asset Management (Facilities Management) – BCP Homes Health & Safety Compliance	A detailed audit of this area was carried out in 2024, the results of which were reported to Audit & Governance Committee in October 2024 as this was a 'partial' assurance report. The recommendations in the report have been followed up as part of the standard follow up process and all recommendations, bar one medium, have been implemented. Assurance for this area in 2025/26 has been provided via the standard follow up process. As no areas of concern were identified during the follow up, further Internal Audit work was not considered necessary during the year. Note – an Asset Management (Facilities Management) Health & Safety Compliance review for BCP Leisure will be carried out during Quarter 4 – which is also delivered by the Facilities Management in Customer & Property.
10	Law & Governance	ICT (Service KAF)	This was removed from the plan following discussions with the Service Director as the scope was to include the implementation of the legal case management system but this review is no longer required. This has been replaced by the risk management audit below.
11	Law & Governance	Risk Management (Service KAF)	In conjunction with the Service Manager, this was added as a replacement audit for ICT to ensure sufficient audit coverage in Law & Governance. The scope will include review of risk management arrangements in the service, including compliance with corporate requirements.
12	Adult Social Care	See Adult Social Care and Commissioning audits below	The Care Quality Commission (CQC) will be undertaking an inspection of Adult Social Care during Quarter 3. The scope of this has yet to be confirmed, but it is likely that it will cover at least one, if not more, of the internal audits planned in Adult Social Care this year, which would result in duplication. In addition, officers and managers in the service will be servicing the external review resulting in reduced availability to support an internal audit. Internal Audit are working with senior management in Adult Social Care to identify appropriate audit/s to be removed from the plan and this will be reported to the next Audit & Governance Committee. Assurance for this area/these areas will be provided by the CQC report.

13	Customer & Property	Libraries Strategy Implementation Governance Arrangements	Libraries Strategy has not progressed beyond an outline approach, so the audit has been deferred for consideration in 2026/27.
14	Customer & Property	Business Continuity (KAF)	This audit was carried out in place of the Libraries Strategy audit, as it was identified as a high-risk area that had not previously been reviewed.
15	Adult Social Care Commissioning	Better Care Fund (BCF)	A joint audit with the NHS and Dorset Council has been agreed. Previous joint audits at other local authorities have been viewed positively.
16	Adult Social Care Commissioning	Care Technology	This was removed from the plan to accommodate the BCF audit, following discussion with the relevant director who advised that there were no known areas of concern in the service following its recent review (audit risk assessed as medium).
17	Adult Social Care	Contact Centre	As reported in the October Quarterly update, Adult Social Care audits, anticipated to be in the region of 40 days, would be removed from the Audit Plan, due to the Care Quality Commission (CQC) inspection. Once the CQC report has been released, it may be that further amendments to the ASC plan are required, dependent on scope and findings. Whilst this time has already been reported, this confirms the audits which were selected. Both of the audits selected were 'medium' priority and will be considered for inclusion in future audit plans as part of the normal audit planning process.
18		Carers Service	
19	Adult Social Care	Emergency Duty Service	Audit swapped with Care Technology (both assessed as Medium Risk) to accommodate service priorities
20	Adult Commissioning	Care Technology	Audit swapped with Emergency Duty Service (both assessed as Medium Risk) to accommodate service priorities
21	Finance, Estates and Benefits	Human Resources (Service KAF)	Risk score re-assessed during year from medium to low. Removed from plan due to low risk and resource pressures.

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2025/26 Opinion	2024/25 Opinion	2023/24 Opinion
Council Tax	Finance	Reasonable	Reasonable	Reasonable
NDR	Finance	Reasonable	Reasonable	Reasonable
Housing Benefit & Council Tax Reduction Scheme	Finance	Reasonable	Reasonable	Reasonable
Debtors	Finance	Reasonable	Reasonable	Follow Up
Main Accounting	Finance	Reasonable	Reasonable	Partial
Creditors	Finance	Reasonable	Reasonable	Reasonable
Payroll	People & Culture	Reasonable	Reasonable	Reasonable
Treasury Management	Finance	Reasonable	Reasonable	Reasonable
Housing Rents	Housing	Reasonable*	Reasonable*	Follow Up
Social Services Financial Assessments	Finance	Reasonable	Reasonable	Reasonable

Notes
* 2024/25/26 Audit

Key:

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

Annexe 3

BCP Assurance Framework 2025/26

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	**Internal Audit Assurance Work**
Internal Audit	• All Service Directorates audited during 2025-26 • 77 audits completed (see Annexe 1 for list of audits) • 67 Reasonable and 7 Partial Assurance Level opinions were issued, together with 3 Position Statements • There were no Minimal assurance opinions
Counter Fraud	• Audit assignments carried out during 2025/26 have considered the risk of fraud including targeted high fraud risk reviews • Corporate Fraud Officer has provided support to service directorates on high risk external fraud areas (including housing tenancy) • Several investigations carried out and recommendations made to improve controls • Participated in National Fraud Initiative (NFI) data matching exercise
Asset Management (Estate Management)	• Internal Audit carried out an annual assurance review on asset management – estate management ('Partial' audit opinion – same as for 2024/25)
Asset Management (Facilities Management)	• Internal Audit carried out an annual assurance review on Asset Management (Facilities Management) focussing on Leisure Centres Health & Safety Compliance ('Partial' audit opinion)
Business Continuity	• Regular reporting took place during the year on corporate emergency planning arrangements to Audit & Governance Committee • Corporate Resilience Strategy and Emergency Planning & Business Continuity Governance Framework are in place • Internal Audit carried out an annual assurance review on Business Continuity ('Reasonable' audit opinion)
Business Planning & Performance Management	• Internal Audit carried out an annual assurance review ('Position Statement' issued)
Financial Management	• Regular reporting took place in year to Cabinet and Council • Internal Audit review of Financial Management and Main Accounting system undertaken during the year ('Reasonable' audit opinion)
Fire Safety	• Reporting of arrangements to Health & Safety & Fire Safety Board and Audit & Governance Committee took place in the year • Internal Audit carried out an annual assurance review on corporate Fire Safety arrangements ('Reasonable' audit opinion)
Health & Safety	• Reporting of arrangements to Health & Safety & Fire Safety Board and Audit & Governance Committee took place in the year • Internal Audit carried out an annual assurance review on corporate Health & Safety arrangements ('Partial' audit opinion)
Human Resources	• Audit review carried out on corporate Human Resources arrangements covering staff absence, performance management, sickness absence, and flexible working ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	**Internal Audit Assurance Work**
Information Communication Technology	• Internal Audit carried out reviews on Citizen Development ('Reasonable' audit opinion), BACS Bureau ('Reasonable' audit opinion), Guest WiFi Networks ('Reasonable' audit opinion), IT Equipment – Asset Management ('Reasonable' audit opinion) and Social Media Management ('Reasonable' audit opinion) • Internal Audit carried out an annual assurance review on ICT Core KAF covering governance, risk management, policies/procedures & training ('Reasonable' audit opinion)
Information Governance	• Information Governance Board in place and regular meetings occurring • Internal Audit carried out an annual assurance review on Information Governance ('Reasonable' audit opinion)
Partnerships	• Internal Audit carried out an annual assurance review ('Position Statement' issued)
Procurement	• Procurement & Contracts Board in place and regular meetings occurring • Internal Audit review of Procurement carried out ('Reasonable' audit opinion) • See separate Annual Report on Breaches and PDRs reported to this committee
Project & Programme Management	• Internal Audit carried out an annual assurance review on corporate project and programme management arrangements ('Reasonable' audit opinion)
Risk Management	• Corporate Risk Management Strategies and frameworks in place • Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management • Internal Audit carried out a high level assurance review ('Position Statement' issued)
Safeguarding	• Internal Audit carried out an annual assurance review on corporate safeguarding arrangements ('Reasonable' audit opinion)
Sustainable Environment	• Internal Audit carried out an annual assurance review on Sustainable Environment ('Reasonable' audit opinion)
Management Assurance Statements	• Received from Corporate and Service Directors • Any potential significant issues raised were considered for inclusion on the Annual Governance Statement
EXTERNAL SOURCES OF ASSURANCE	
External Audit	Quality / Accreditation Schemes
External Reviews & Inspections	External Benchmarking
Regularity Bodies	Peer Reviews