



## RUSHMOOR BOROUGH COUNCIL

### CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

*at the Council Offices, Farnborough on  
Thursday, 22nd May, 2025 at 7.00 pm*

**To:**

Cllr Bill O'Donovan (Chairman)  
Cllr Rhian Jones (Vice-Chairman)

Cllr Gaynor Austin  
Cllr C.W. Card  
Cllr Sue Carter  
Cllr P.J. Cullum  
Cllr M.J. Roberts  
Cllr Sarah Spall  
Cllr P.G. Taylor  
Cllr Jacqui Vosper  
Cllr Becky Williams

**Non-Voting Member:**

Mr. Tom Davies – Independent Member (Audit)

**Standing Deputies:**

Cllr Leola Card, Cllr Thomas Day, Cllr A.H. Gani, Cllr S.J. Masterson, Cllr T.W. Mitchell and Cllr Ivan Whitmee

Enquiries regarding this agenda should be referred to the Committee Administrator,  
Lucy Bingham, Democratic Services, Tel. (01252 398128) or email  
[lucy.bingham@rushmoor.gov.uk](mailto:lucy.bingham@rushmoor.gov.uk).

# **A G E N D A**

1. **MINUTES – (Pages 1 - 4)**

To confirm the Minutes of the Meeting held on 2nd April, 2025.

2. **AUDITOR'S ANNUAL REPORT 2023/24 – (Pages 5 - 26)**

To receive the Executive Head of Finance's Report No. 24RBC (copy attached) which includes commentary on the Value for Money (VFM) arrangements for Rushmoor Borough Council for the Audit Year 2023/24. The report and commentary explain the work undertaken by Council's external auditors, Ernst & Young (EY), and highlights any significant weaknesses identified, along with recommendations for improvement.

3. **EXTERNAL AUDIT PROPOSED AUDIT PLANNING REPORT 2024/25 – (Pages 27 - 74)**

To receive the Executive Head of Finance's Report No. 25RBC (copy attached) which includes the provisional audit planning report from the Council's external auditors, Ernst & Young (EY), for the 2024/25 audit.

4. **ANNUAL GOVERNANCE STATEMENT 2024/25 – (Pages 75 - 108)**

To consider the Financial Governance Manager's Report No. AUD25/03 (copy attached) which presents the Annual Governance Statement 2024/25 for review and approval.

5. **INTERNAL AUDIT - ANNUAL AUDIT OPINION 2024/25 – (Pages 109 - 120)**

To receive the Financial Governance Manager's Report No. AUD25/04 (copy attached) which presents the Financial Governance Manager's independent annual audit opinion for 2024/25.

6. **TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2024-25 –**

To consider the Executive Head of Finance's Report (copy attached) which sets out the activities of the Treasury Management and Non-Treasury Management Investment Operations as at 31st March, 2025.

7. **GRANTING DISPENSATION FROM PROVISIONS OF THE CODE OF CONDUCT FOR MEMBERS – (Pages 121 - 122)**

To consider the Monitoring Officer's Report No. LEG25/01 (copy attached) which seeks dispensations from requirements relating to declarations of interest for those Members who have been receiving Hampshire County Council allowance and Rushmoor Borough Council allowance, to be allowed to vote on Local Government Reorganisation (LGR).

8. **CONSTITUTION AND COMMITTEE REVIEW UPDATE – (Pages 123 - 134)**

To consider the Corporate Manager - Democracy Report No. DEM2505 (copy attached) which sets out proposed updates to the Council's Constitution for recommendation to Council and an update and proposals for taking forward the CfGS Committee Review recommendations.

9. **APPOINTMENTS TO OUTSIDE BODIES, LICENSING SUB-COMMITTEES AND CONSTITUTION WORKING GROUP – (Pages 135 - 150)**

**(1) Outside Bodies**

To consider the appointment of representatives to outside bodies. A list of those bodies on which the Council is represented, which includes details of proposed nominations for 2025/26 is attached.

**(2) Appointments and Appeals Panels –**

To confirm that the Corporate Manager - Democracy is authorised to make appointments to the Appointments and Appeals Panels, in accordance with the membership criteria set out in the Officer Employment Procedure Rules in the Constitution.

**(3) Licensing Sub-Committee**

To confirm the Members of the Licensing Sub-Committee for the 2025/26 Municipal Year on the basis of five Members (Proposed: 3 Lab: 2 representatives of other groups).

**(4) Licensing Sub-Committee (Alcohol and Entertainments)**

To confirm that the Corporate Manager - Democracy is authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee in accordance with the procedure agreed by the Committee at its meeting on 21st May, 2009 and detailed in the Licensing Sub-Committee (Alcohol and Entertainments) Hearings Protocol and Procedure.

**(5) Licensing Sub-Committee (Taxis)**

To confirm that the Corporate Manager – Democracy is authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee in accordance with the procedure agreed by the Committee at its meeting on 27th June 2021 and detailed in the Licensing Sub-Committee (Taxis) Hearings Protocol and Procedure.

**(6) Constitution Working Group –**

To appoint a cross-party Constitution Working Group for 2025/26. The appointments to be made on the basis of six Members including two Cabinet Members, the Chairman of the Corporate Governance, Audit and Standards Committee, and representatives of other groups.

### **PUBLIC PARTICIPATION AT MEETINGS**

Members of the public may ask to speak at the meeting on any of the items on the agenda by writing to the Committee Administrator at the Council Offices, Farnborough by 5.00 pm two working days prior to the meeting.

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# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Wednesday, 2nd April, 2025 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr Bill O'Donovan (Chairman)  
Cllr Rhian Jones (Vice-Chairman)

Cllr Abe Allen  
Cllr A. Adeola  
Cllr C.W. Card  
Cllr M.J. Roberts  
Cllr M.D. Smith  
Cllr Sarah Spall  
Cllr P.G. Taylor  
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllr Gaynor Austin.

## **Non-Voting Member**

Mr. Tom Davies (ex officio)

### **36. APPOINTMENT OF CHAIRMAN**

**AGREED:** The appointment of Cllr Bill O'Donovan as Chairman of the Committee for the remainder of the 2024/25 Municipal Year in place of Cllr A. H. Crawford.

### **37. APPOINTMENT OF VICE-CHAIRMAN**

**AGREED:** The appointment of Cllr Rhian Jones as Vice-Chairman of the Committee for the remainder of the 2024/25 Municipal Year in place of Cllr Bill O'Donovan.

### **38. MINUTES**

The minutes of the meeting held on 29th January 2025 were agreed and signed as a correct record of the proceedings.

### **39. APPOINTMENT OF INTERIM MANAGING DIRECTOR AND HEAD OF PAID SERVICE**

The Committee received the Leader of the Council's Report No. PEO2503, which set out the process undertaken for the recruitment of the Council's Interim Managing Director and Head of Paid Service, as approved by Council on 5th February 2025. In accordance with the Constitution, the recommendation for the appointment of the

preferred candidate was made by the Corporate Governance, Audit and Standards Committee.

Report No. PEO2503, followed the report approved by the Council on the 5th February 2025 and put in place arrangements for the Head of Paid Service and Monitoring Officer functions for 6 months.

During discussion, the Committee were advised that, as the Chief Executive was leaving the Council on the 6th May 2025 for reasons of redundancy, there would be a handover period between the Chief Executive and the Interim Managing Director, with the statutory role of Head of Paid Service being transferred to the Interim Managing Director on the 11th April 2025. The Committee noted that the role of Interim Managing Director and Head of Paid Service was for a period of 6 months because of the upcoming reorganisation of the Council.

The Committee **RECOMMENDED TO THE COUNCIL:**

- (i) the appointment of Ian Harrison as the Council's Interim Managing Director and Head of Paid Service with effect from the 11th April 2025 for an initial period of 6 months; and
- (ii) that the post of Corporate Manager – Legal Services be designated as the Council's Monitoring Officer from the 11th April 2025 for an initial period of 6 months.

#### 40. **ACCOUNTING POLICIES FOR THE YEAR**

The Committee considered the Executive Head of Finance's Report No. FIN2510, which reviewed the proposed accounting policies to be applied for the closure of the 2024/25 accounts. These were prepared in line with Chartered Institute of Public Finance Accountants (CIPFA) Code of Practice on Local Authority Accounting in the UK.

The report stated the changes to the accounting policies and informed Members of additional/amended disclosures and the level of internal materiality to be applied in the Annual Statement of Accounts for 2024/25.

The Committee noted that an approved set of accounting policies enabled the Finance team to complete the Annual Statement of Accounts with considered rules and assumptions, and provided clarity to the readers of the Accounts as to how they had been prepared.

**RESOLVED:** That:

- (i) the Accounting Policies, including the amendment disclosed at Appendix 1 for closure of the 2024/25 account, be adopted; and
- (ii) the updated disclosures and internal level of materiality be included within the Statement of Accounts for 2024/25, be noted.

#### **41. INTERNAL AUDIT - AUDIT UPDATE ON 2024/25**

The Committee received the Audit Manager's Report No. AUD25/02, which provided an overview of the work finalised for the 2023/24 Audit Plan, a progress update on the 2024/25 Audit Plan, and a schedule of work to be delivered in Q4.

During discussion, Members raised questions regarding the number of audits undertaken each year and virements, which were described as the movement of money between services.

**RESOLVED:** That:

- (i) the completed audit work be noted; and
- (ii) the progress to date towards the 2024/25 Audit Plan be noted.

#### **42. INTERNAL AUDIT - CHARTER AND AUDIT PLAN 2025/26**

The Committee received the Head of Partnership's Report No. AUD25/02, which set out the Internal Audit Charter and Internal Audit Plan for 2025/26.

The Committee heard from Neil Pitman, from Southern Internal Audit Partnership (SIAP), who reported that the Internal Audit Charter and Internal Audit Plan 2025/26 were required by the Global Internal Audit Standards in UK Public Sector. The Internal Audit Charter was a formal document that included the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications. The Internal Audit Plan was a document, developed by the Chief Internal Auditor, that identified the engagements and other internal audit services anticipated to be provided during a given period.

The Internal Audit Charter was reported to the Corporate Governance, Audit and Standards Committee annually for review and approval and it had been updated to reflect the requirements of the new Standards. The proposed risk based Internal Audit Plan had been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council's strategic outcomes. It was based on a range of inputs including review of the Council's strategic risk register, sector knowledge and discussions with management teams.

During discussion, Members raised questions regarding SIAP's role in Internal Audit, engagement with Unitary Councils and potential areas of focus for future audits.

**RESOLVED:** That:

- (i) the Internal Audit Charter 2025/26 be approved; and
- (ii) the Internal Audit Plan 2025/26 be approved.

#### 43. **SELECTION OF MAYOR AND DEPUTY MAYOR 2025/26**

The Committee considered the Chief Executive's Report No. DEM2502 which set out the current position on the selection process for the Mayor and Deputy Mayor for the 2025/26 Municipal Year.

The Council had established a process and criteria for selecting the Mayor and Deputy Mayor which was adopted as part of the Council's Constitution. In accordance with the procedure, the Chief Executive wrote to all Councillors in December 2024 to invite expressions of interest in the role of Deputy Mayor for 2025/26, progressing to the position of Mayor in 2026/27.

The Committee was advised by the Corporate Manager – Democracy that the Deputy Mayor, Cllr Calum Stewart, had confirmed his wish to proceed through the normal progression to the position of Mayor for 2025/26.

It was reported that for the position of Deputy Mayor, it had not yet been possible to secure a nomination for recommendation to the Committee that met all of the requirements of the selection criteria. It was proposed to convene a meeting of Group Leaders to review the process to elicit a candidate for the role of the Deputy Mayor and agree the basis of determining a candidate that would secure broad based support.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr Calum Stewart be appointed as Mayor-Elect for the 2025/26 Municipal Year; and
- (ii) the process for seeking a nomination for Deputy Mayor 2025/26 was underway with a view to securing a nomination before the Annual Council Meeting, be noted.

The meeting closed at 8.19 pm.

CLLR BILL O'DONOVAN (CHAIRMAN)

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# Rushmoor Borough Council **Auditor's Annual Report**

Year ended 31 March 2024

April 2025



Corporate Governance, Audit and Standards Committee  
Rushmoor Borough Council  
Council Office, Farnborough Road  
Farnborough, Hants  
GU14 7 JU

11 April 2025

Dear Corporate Governance, Audit and Standards Committee Members

**2023/24 Auditor's Annual Report**

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Rushmoor Borough Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Council's any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 22 May 2025.

Yours faithfully

Simon Mathers

Partner

For and on behalf of Ernst & Young LLP

Encl

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## 01 Executive Summary



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## 03 Value for Money Commentary



## 04 Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the CGAS Committee and management of Rushmoor Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to CGAS Committee and management of Rushmoor Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than CGAS Committee and management of Rushmoor Borough Council for this report or for the opinions we have formed.





# 01 Executive Summary



# Executive Summary

## Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Council and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

## Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued on 26 February 2025. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



# Executive Summary (continued)

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## 2023/24 Conclusions

### Financial statements

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').

The audit of the financial statements for the year ended 31 March 2021, 31 March 2022 and 31 March 2023 for Rushmoor Borough Council were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 26 November 2024, 13 December 2024 and 13 December 2024 respectively.

Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.

Due to delays in receiving audit evidence in sufficient time before the backstop date and delays in the previous year's audits we did not have the required resource available and, have been unable to complete our audit procedures on property, plant and equipment (2023/24 £119.76 million, 2022/23 £112.94 million) and investment property (2023/24 £138.73 million, 2022/23 £129.88 million).

As a result of the disclaimers of opinion in the prior years and the backstop date, we also do not have sufficient appropriate audit evidence over the following:

- in the balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'other land and buildings' that were not revalued in year.
- in the comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet.
- in the cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated as a movement between the opening and closing balance sheet.
- in the collection fund and accompanying notes: opening balances, comparatives and in-year movements that are calculated as a movement between the opening and closing balance.

We therefore issued a disclaimed 2023/24 audit opinion on 10 February 2025.

### Consistency of the other information published with the financial statements

Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.

# Executive Summary (continued)

## 2023/24 Conclusions

Value for money (VFM)	<p>On the basis of our work, having regard to the Code of Audit Practice 2024 and the guidance issued by the Comptroller and Auditor General in November 2024, we have identified a significant weaknesses in the Authority's arrangements for the year ended 31 March 2024 relating to financial sustainability.</p> <p>We have included our VFM commentary in Section 03.</p>
Consistency of the annual governance statement	<p>We were satisfied that the annual governance statement was consistent with our understanding of the Council.</p>
Public interest report and other auditor powers	<p>We had no reason to use our auditor powers.</p>
Whole of Government Accounts	<p>We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete.</p>
Certificate	<p>We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Rushmoor Borough Council.</p>

# Executive Summary (continued)

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Value for Money

Scope

Auditors are required to be satisfied that Rushmoor Borough Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditor's provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Chief Financial Officer and the Deputy Chief Executive Officer and Monitoring Officer;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council
- management and the finance team.



# Executive Summary (continued)

## Value for Money (continued)

### Reporting

Our commentary for 2023/24 is set in section 03. The commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary below the associated recommendations we have agreed with the Council.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the Council plans and manages its resources to ensure it can continue to deliver its services	<p>The high level of short-term borrowings without sufficient income to finance the repayments as well as increase in interest costs have resulted in a financial uncertainty.</p> <p>The MTFS Equalisation reserve is being used to balance the budget in the short-term and will be depleted over the MTFS period leading to a deficit position during 2023/24</p>	Weakness in arrangements to secure future financial sustainability
<b>Governance:</b> How the Council ensures that it makes informed decisions and properly manages its risks	No significant risk identified	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risk identified	No significant weakness identified

# Executive Summary (continued)

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## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)





## 02 Audit of the financial statements

# Audit of the financial statements

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## Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 26 February 2025, we issued a disclaimed audit opinion on the financial statements. The audit of the financial statements for the year ended 31 March 2021, 31 March 2022 and 31 March 2023 for Rushmoor Borough Council was not completed for the reasons set out in the disclaimer of opinion on those financial statements dated 28 November 2024 and 13 December 2024. Our audit work in the current year was focused on transactions in the year and the current year balance sheet. As a result of the disclaimer of opinion in the prior year and the scope of our audit work which was impacted by the backstop date.

We reported our audit scope, risks identified and detailed findings to the March meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas. The findings for each of the accounts areas are set out in the Audit Results Report in Appendix A. We reported 6 internal control recommendations and 6 areas for improvement in the control environment in the Audit Results Report.

Significant risk	Conclusion
<b>Misstatements due to fraud or error - Management override of controls</b>	We have not identified any material weaknesses in the recognition of expenditure. We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Council
<b>Misstatements due to fraud or error - Risk of manipulation of reported financial performance</b>	Our audit work found no indication of fraud in either revenue or expenditure balances.
<b>Misstatements due to fraud or error - capitalisation of revenue expenditure</b>	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied. There is, however, no formal system to record actual time taken by the staff who worked on REFCUS-related projects.
<b>Valuation of Investment Property and under the depreciated replacement cost (DRC) method and the existing use value (EUV) method</b>	<p>We noted issues around the key inputs and assumptions used in the valuation of PPE land and buildings and investment properties.</p> <p>In light of this, we recognised that management and the Council's external valuer required further time to re-evaluate the valuations. Further time would also be required for both the audit team and EY valuation specialist to consider revised valuations. Having considered the statutory backstop date of 28 February 2025, we concluded that we had insufficient time to further consider representations from the valuer on key inputs and assumption which we have challenged as being inaccurate as part of the audit. We also had insufficient time to consider whether potential errors are more pervasive across the untested population. Consequently, we did not carry out any additional procedures, and ceased testing the remaining audit team samples.</p>





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## Value for Money Commentary

# Value for Money Commentary

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**Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services**

**Weakness in arrangements to secure future financial sustainability**

Rushmoor Borough Council (RBC) delivers more than 100 local services to the communities of Aldershot and Farnborough, including core services such as rubbish and recycling collection, street cleaning, planning, environmental health, housing, parks, and leisure facilities. The Council is more complex than ever before and plays an essential role in broad areas like engaging with and where necessary, supporting local communities and business, helping the most vulnerable in society and making sure our Borough continues to develop and thrive economically with an extensive regeneration programme. The country suffered economic hardship during prior year period with the residual impact from Covid-19, the war in Ukraine, restrictions on the supply chain (particularly from China), the ongoing reset of the UK economy following Brexit, all contributing to the high inflation and the cost-of-living crisis means the economic context is subject to considerable uncertainty. The continuation of constraints in government funding, both in terms of the level of funding and duration, adds to this uncertainty which restricts the Councils ability to financially plan for the medium to long term.

The Council has a Corporate Plan outlining its priorities over the next three years which provides the details of all their services and describes the key strategic projects that will contribute to achieving their vision. The Council plan is updated every year and gives the Council a focus for their activities and services by setting out the short to medium-term steps needed to realise the long-term vision and aspirations. While it sets out an ambitious programme of key activities, underpinning this plan are several individual service plans which include more detailed information on the activities and work of individual teams and the day-to-day services we offer. These plans are monitored quarterly through performance report.

The Council overall financial position worsened over the course of 2023/24. It is very highly geared, with year end total borrowings balance of £162m, with £157m of that borrowing held short term. Total borrowings at the end of 2023-24 had increased to 107% of the liability benchmark and 97% of the Capital Financing Requirement (CFR). The Council's ability to borrow further after 2023/24 judged against CFR is therefore very limited. The Council held a cash balance of £6.3m at the end of 2023-24. In September 2023 Moody's identified the 20 most indebted local authorities in England relative to size of which Rushmoor was ranked 7th. In addition, one of the Council's key capital projects, Union Yard, is dependent on the further borrowing being secured. Current interest rates are more than double the MTFS 2023-24 budgeted assumption of 1.67% and so mitigation must be focused on lessening the cost of debt to ensure a balanced budget can be met in future years.

The Medium-Term Financial Strategy (MTFS) 2025-26 to 2028-29 presented at the February 2024 Full Council meeting indicated a 2025-26 estimated deficit of £5.2 million (£4.1 million projection in February 2024). The 2025-26 MTFS projects an additional £2.9 million drawdown of reserves compared to the prior year with the total amount to be drawn-down forecast to be £3.6 million. The Council therefore has little flexibility for any unplanned draw on reserves in addition to the identified risks around the budget assumptions if the council is to be able to set a balanced budget each year of the MTFS. The 2024-25 budget was balanced using a £5.4m drawdown from reserves. This was dependent on an agreed savings profile which required £740k of revenue savings (£240k interest/Minimum Revenue Provision and £500k cost of services) in 2024-25.

# Value for Money Commentary

**Financial Sustainability:** How the Council plans and manages its resources to ensure it can continue to deliver its services

Weakness in arrangements to secure future financial sustainability

As a result of the financial challenges it faces, the Council commissioned a CIPFA review of its financial resilience which was reported in June 2024. This concluded that without reducing annual spending to align with annual income the Council will not be able to set a balanced budget in 2026/27. Consequently, without mitigation, the Council is not financially sustainable in the medium-term. This is in part driven by the Council's level of debt. Whilst borrowing is within the prudential limit and borrowing will not exceed CFR, securing future sustainability requires a structured and timely disposal of assets to achieve the Council's own interest and MRP savings targets, reducing the interest and MRP costs borne by the General Fund. In response to this the Council has agreed a plan to generate £40 million through asset disposals by September 2025 but recognises risks as to whether this is achievable. No capital disposals were made during 2023/24.

**Conclusion:** Based on the audit work performed, we identified a significant weakness in the Council's arrangements to secure future financial sustainability.

**Recommendation:**

The Council needs to fully implement and action its Financial Resilience Plan which contains a range of medium and shorter-term actions designed to ensure its financial sustainability. Specifically:

- Develop and implement appropriate arrangements to deliver a permanent removal from the base budget of £0.5 million each year for the four years commencing 2024-25.
- Identify and deliver a £40 million asset disposal programme to achieve the Council's interest and cost reduction savings targets.
- Seek to replace short-term with long-term borrowing to reduce the Council's exposure to interest rate risk and allow for more certainty in its medium-term financial planning arrangements.

# Value for Money Commentary (continued)

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Governance: How the Council ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Council continues to maintain adequate arrangements to monitor and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud and corruption. There is regular reporting to the Chief Officers and Council on all matters providing sufficient detail and data for scrutiny, oversight and decision making. This includes identification of any new opportunities, risks or issues, and the management thereof. Cabinet normally meets once a month and makes key decisions and recommendations to the Council. The council is Rushmoor's ultimate decision-making body and is made of all 39 elected councillors. The Corporate Governance, Audit and Standards Committee (CGAS) meets six times a year. The purpose of the Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

A risk management strategy is in place to evaluate and identify risk. There are clearly defined processes to support robust decision making through the understanding of risk, whether an opportunity or threat exists and the likely impact. The Risk Register was developed to identify risks to the Council at a corporate level and is reviewed regularly by risk owners. Risk management is also discussed in the CGAS meeting. The Risk Management Policy and arrangements continued to be reviewed and developed in order to remain effective, and to provide continual improvement. As set out in the Risk Management Policy, reports on risk had been presented to the Council's Corporate Management Team (CMT) on a quarterly basis and presented to the Cabinet, alongside the quarterly performance report. The Overview and Scrutiny Committee also considered performance and risk as part of their work plan. The Council's risk management framework is supported and informed by the work of the Council's Internal Audit function. The Internal Audit opinion for 2023/24 was one of reasonable assurance over the Council's governance, risk management and control framework.

In addition to having risk management policy in place, the Council also has various internal policies such as Fraud Response Plan, Anti-Fraud and Corruption Strategy, Anti-Bribery Policy, Anti-Money Laundering Policy, and Sanction Policy

**Conclusion:** Based on the work performed, the Council had proper arrangements in place in 2023/24 to make informed decisions and properly manage its risks.



# Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

There is regular reporting by the Chief Financial Officer to those charged with governance on all significant matters. The finance reports communicate operational information, such as financial performance, performance against non-financial KPIs and any other relevant information. A line-by-line budget review was conducted of budgets as part of the MTFS review and budgeting setting for 2023/24 which looked at in year spend and identifying areas for future pressures or savings.

The Corporate Plan has four themes which cover both service targets and financial targets. Each theme has performance measures and a Councillor and Officer lead who has responsibility for that measure. These measures are monitored regularly and reported upon quarterly to assess performance and identify areas for improvement.

The Executive Head of Finance Report is discussed at the CGAS Committee meetings. This report sets out the activities of the Treasury Management Strategy and Non-Treasury Investment Operations and reported on compliance with Prudential Indicators.

Where necessary, the council will engage with consultants to review its financial plans and treasury management policies. Interest on treasury management and borrowing costs projections have been reviewed in consultation with Arlingclose the Council's external treasury management advisor, including updating of the Capital Financing Requirement (CFR) with the 2023-24 outturn data. This is then presented to the CGAS committee for recommendation. In addition, the Council has sought external perspectives on its financial plans and overall performance through a LGA Peer challenge and by commissioning CIPFA to undertake an independent review. Both reports highlighted recommendations and action plans which are monitored by the Council.

**Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers its services.**



## 04 Appendices



# Appendix A – Summary of recommendations

## Recommendations

The table below sets out the recommendations arising from the value for money work in the year covered in this report for the year 2023/24.

All recommendations have been agreed by management.

Issue	Recommendation	Management response
Financial Sustainability	<p>The Council needs to fully implement and action its Financial Resilience Plan which contains a range of medium and shorter-term actions designed to ensure its financial sustainability. Specifically:</p> <ul style="list-style-type: none"><li>• Develop and implement appropriate arrangements to deliver a permanent removal from the base budget of £0.5 million each year for the four years commencing 2024/25.</li><li>• Identify and deliver a £40 million asset disposal programme to achieve the Council's interest and cost reduction savings targets.</li><li>• Seek to replace short-term with long-term borrowing to reduce the Council's exposure to interest rate risk and allow for more certainty in its medium-term financial planning arrangements.</li></ul>	

# Appendix B – Fees

PSAA opted-in bodies: The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

**Other Bodies** – A breakdown of our fees is shown in the table to the right.

The agreed fee presented is based on the following assumptions:

- officers meeting the agreed timetable of deliverables;
- our financial statement opinion and value for money conclusion being unqualified;
- appropriate quality of documentation is provided by the Council;
- an effective control environment; and
- compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

	2024-25	2023-24	2022-23
	£	£	£
Total Fee – Code Work	159,935 Note 3	145,266	TBC Note 1
Scale Fee Variation	N/A	85,629 Note 2	N/A
Scale Fee Variation 2022/23 - Value for Money			15,502 Note 1
<b>Total audit</b>	<b>TBC</b>	<b>230,895</b>	<b>£145,266</b>

## All fees exclude VAT

- As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC (now MHCLG), PSAA has used its fee variation process to determine the final fee for 2022/23 VFM of £15,502 which has been accepted by the Council. The determination of the final fee for 2022/23 work outside of VFM remains outstanding with PSAA.
- The 2023/24 work is now complete and we intend to submit a proposal to PSAA for a scale fee variation totalling £85,629. This final fee includes an adjustment for the following areas:
  - Additional procedures to implement the revised ISA 315 (UK) auditing standard as originally set out in our Audit Planning Report, totalling £16,902.
  - Additional procedures to consider the Council's readiness for the implementation of IFRS 16 as originally set out in our Audit Planning report, totalling £890.
  - Additional work performed due quality of supporting evidence provided which resulted in the audit having to do numerous follow ups and resampling and additional procedures performed on audit findings identified and resulting changes to the accounts totalling £30,438.
  - Additional work performed and delays on the information provided to queries raised on PPE valuations, totalling £19,901.
  - Additional procedures performed by the Pensions expert due to the error in the IAS pension valuation report, totalling £10,038.
  - First year audit of Group accounts, totalling, £7,460.
- Scale fees for 2024/25 have been increased by PSAA to cover additional audit work under revised standards and a contractual inflationary increase payable to audit firms. The new work relates to revised auditing standard ISA (UK) 315 (risks of material misstatement) and linked work on ISA (UK) 240 (fraud).

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# Rushmoor Borough Council

Audit planning report

Year ending 31 Month 2025

April 2025





Corporate Governance, Audit and Standards Committee  
Rushmoor Borough Council  
Council Office, Farnborough Road  
Farnborough, Hants  
GU14 7 JU

11 April 2025

Dear Corporate Governance, Audit and Standards Committee Members

**Audit planning report**

Attached is the audit planning report for the upcoming meeting of the Corporate Governance, Audit and Standards Committee ("CGAS Committee"). This report aims to provide the CGAS Committee of Rushmoor Borough Council (the Council) with a basis to review the proposed audit approach and scope for the 2024/25 audit. This is in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements. This report summarises our evaluation of the key issues driving the development of an effective audit. We have aligned our audit approach and scope accordingly. The report also addresses the broader impact of Government proposals aimed at establishing a sustainable local audit system.

As the Council's body charged with governance, the CGAS Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support a timely and efficient audit. Failure to achieve this will affect the level of resources required to fulfil our responsibilities. We will assess and report on the adequacy of the Council's external financial reporting arrangements, as well as the effectiveness of the CGAS Committee in fulfilling its role within those arrangements as part of our Value for Money assessment. We will also consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements if deemed necessary. We direct CGAS Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

This report is intended solely for the information and use of the CGAS Committee and management, and is not intended to be, and should not be used, by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 22 May 2025 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

**Simon Mathers**

For and on behalf of Ernst & Young LLP



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**1** Overview of our 2024/25 audit strategy

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**8** Independence

**9** Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment and further guidance (updated July 2021)' issued by the PSAA (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Audit Committee and management of Rushmoor Borough Council**. Our work has been undertaken so that we might state to the **Audit Committee and management of Rushmoor Borough Council** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Audit Committee and management of Rushmoor Borough Council** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



# 01 2024/25 audit strategy overview

# 2024/25 audit strategy overview

## Context

Timely, high-quality financial reporting and audit of local bodies play a crucial role in our democratic system. It aids in effective decision-making by local bodies and ensures transparency and accountability to local taxpayers. There is a consensus that the delay in publishing audited financial statements by local bodies has reached an unacceptable level, and it is acknowledged that cooperation among all stakeholders in the sector is necessary to address this issue. The reasons for the backlog are well-documented and include:

- Insufficient capacity within the local authority financial accounting profession.
- Increased complexity of reporting requirements within the sector.
- Insufficient capacity within audit firms with public sector experience.
- Heightened regulatory pressure on auditors, leading to an expanded scope and extent of audit procedures performed.

The Ministry for Housing, Communities and Local Government (MHCLG) has collaborated with the Financial Reporting Council (FRC) and other system partners to develop and implement measures to address the backlog. SI 2024/907, along with the NAO Code and the Local Authority Reset and Recovery Implementation Guidance, have been created to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)). In February 2025, responsibilities for leadership of the local audit system transferred from the FRC back to MHCLG. This change follows the December 2024 launch of the Government's strategy for reforming the local audit system in England, which includes plans to establish a Local Audit Office. The approach to addressing the backlog consists of three phases:

- **Phase 1: Reset;** clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This is largely complete.
- **Phase 2: Recovery from Phase 1;** from 2023/24, use backstop dates to prevent a recurrence of the backlog and allow assurance to be rebuilt over multiple audit cycles. The backstop date for the audit of the 2024/25 financial statements is 27 February 2026. Auditors are waiting for guidance from the system leader to effectively, efficiently and consistently build back assurance over disclaimed audit periods.
- **Phase 3: Reform;** involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As detailed in our Audit Results Report presented to the Corporate Governance, Audit and Standards Committee on 29 January 2025, we disclaimed our audit opinion on the Council's 2023/24 financial statements on 26 February 2025.

We have obtained assurance over some of the closing balances in 2023/24. However, we do not have assurance over all brought-forward balances in 2024/25. Consequently, we lack assurance over all in-year movements and some closing balances for 2024/25. Although we will continue to work towards rebuilding assurance ahead of the 2024/25 backstop date (subject to guidance), we will not be able to obtain sufficient evidence to have reasonable assurance over all closing balances. We therefore expect to again issue a disclaimer of opinion in 2024/25.

# 2024/25 audit strategy overview (cont'd)

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## Rebuild of assurance – current position

The National Audit Office issued Local Audit Reset and Recovery Implementation Guidance (LARRIG) 05 on 10 September 2024, detailing the principle of returning to a state where auditors can issue audit opinions on local authority financial statements with sufficient audit evidence. This process will take several years to achieve.

Restoring assurance will need local authorities and auditors to work together. We are waiting for guidance from the National Audit Office and Financial Reporting Council to ensure a consistent approach for restoring assurance for disclaimed periods. Until then, we are unable to commence the rebuilding work programme.

We will audit the 2024/25 closing balance sheet and in-year transactions, similar to our approach for 2023/24, as well as performing additional risk assessment procedures to assess the likelihood of a material misstatement in the opening reserve position for 2024/25. Updates on rebuilding assurance for the historical position will be provided as guidance is issued and its implications for the Council are evaluated taking into consideration the outcome of our risk assessment procedures. As the Council's financial statements for 2020/21, 2021/22, 2022/23, 2023/24 were subject to a disclaimer of opinion, it is highly probable that our risk assessment procedures to assess the likelihood of a material misstatement in the opening reserve position will conclude that an elevated risk of material misstatement is associated with the reserve balances, because of the way in which they accumulate over successive years

## Responsibilities of management and those charged with governance

The Council's Section 151 Officer is responsible for preparing the financial statements in accordance with proper practices and confirming they give a true and fair view at the 31 March 2025. To complete the audit in a timely and efficient manner, it is essential that the financial statements are supported by high-quality working papers and audit evidence, and that Council resources are available to support the audit process within agreed deadlines. The Audit Committee has an essential role in ensuring that it has assurance over both the quality of the financial statements and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this conditions are not met, we will:

- Consider and report on the adequacy of the Council's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- Consider the use of other statutory reporting powers to draw attention to weaknesses in Council financial reporting arrangements, where deemed necessary.
- Assess the impact on available audit resource and where additional resources are deployed, seek a fee variation from PSAA. We have set out the factors that will lead to a fee variation at Appendix B, together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.

# 2024/25 audit strategy overview (cont'd)

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

## Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from PY	Details
Presumptive risk of management override of control	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.</p>
Valuation on investment property	Significant risk	No changes in risk or focus	The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates - adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.
Valuation of land and buildings valued under the depreciated replacement cost (DRC) method and the existing use value (EUV) method	Significant risk	No change in risk or focus	The DRC and EUV valuation methods involve higher risk estimates due to the significant assumptions and judgements involved, which trigger the use of experts by both management and EY. The estimates heighten the risk of material errors.

# 2024/25 audit strategy overview (cont'd)

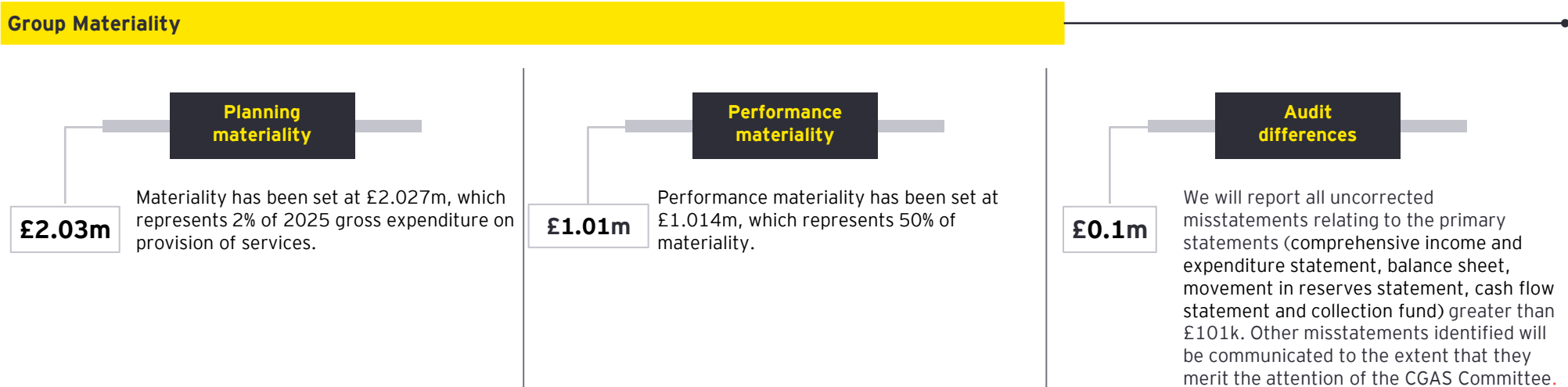
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The following ‘dashboard’ summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus			
Risk/area of focus	Risk identified	Change from PY	Details
IFRS 16	Significant risk	Increase in risk	Mandatory implementation of IFRS 16 Leases has been deferred until the current financial year. IFRS 16 leases is a complex standard that will require a substantial amount of data gathering followed by statements, policy choice decisions. The Council was not able to disclose the impact of the implementation in the prior year accounts. We were also unable to confirm the impact of IFRS 16 whilst performing our planning procedure and therefore cannot confirm management readiness and the potential impact.
Pension Liability Valuation and the IAS 19 valuations	Risk of material misstatement	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require the Council to disclose its membership in the Local Government Pension Scheme in its financial statements.  Due to the significant estimation and judgement involved, an actuary is engaged for calculations. ISAs (UK) 500 and 540 mandate procedures on using management experts and assumptions for fair value estimates.

We will continue to keep the Audit Committee updated on our assessment of any changes to audit risk.

# 2024/25 audit strategy overview (cont'd)



We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.

# 2024/25 audit strategy overview (cont'd)

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## Audit scope

This audit planning report covers the work that we plan to perform to provide you with:

- our audit opinion on whether the financial statements give a true and fair view of the financial position as at 31 March 2025 and of the income and expenditure for the year then ended; and
- our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on the value for money arrangements in Section 3.

We also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the required mandatory procedures in accordance with applicable laws and auditing standards.

When planning the audit we consider several key inputs:

- strategic, operational and financial risks relevant to the financial statements;
- developments in financial reporting and auditing standards;
- the quality of systems and processes;
- changes in the business and regulatory environment; and
- management's views on all the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant.

Considering the above, our professional duties require us to independently assess audit risks and take appropriate actions. The Terms of Appointment with the PSAA permit fee adjustments based on 'the auditor's assessment of risk and the work needed to meet their professional responsibilities'. Therefore, we outline these risks in this audit planning report and will discuss any impact on the proposed scale fee with management.



# 2024/25 audit strategy overview (cont'd)

## Audit scope (cont'd)

### Effects of climate-related matters on financial statements

Public interest in climate change is growing. We recognize that climate-related risks may span a long timeframe, and while these risks exist, their impact on the current financial statements may not be immediately significant. However, it remains essential to understand these risks to conduct a proper evaluation. Additionally, comprehending climate-related risks may be pertinent in the context of qualitative disclosures in the notes to the financial statements and in assessing value-for-money arrangements.

We inquire about climate-related risks during every audit as part of our understanding of the entity and its environment. As we continually re-evaluate our risk assessments throughout the audit, we consider the information obtained to help us assess the level of inherent risk.

### Audit scope and approach

We plan to adopt a substantive audit approach.

# 2024/25 audit strategy overview (cont'd)

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## Value for Money

We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

The value for money planning and related risk assessment aims to collect enough evidence to document our evaluation of the Council's arrangements, allowing us to prepare a commentary based on three reporting criteria. This process includes identifying and reporting any significant weaknesses in those arrangements and making suitable recommendations.

We will provide a commentary on the Council's arrangements against three reporting criteria:

- Financial sustainability – How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance – How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness – How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Commentary on value for money arrangements will be included in the 2024/25 Auditor's Annual Report. This will need to be issued by 30 November 2025 to comply with the revised requirements of the NAO Code.

## Timeline

An audit timetable has been agreed with management. In Section 7 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.

# 2024/25 audit strategy overview

## Group Audit scope

The scoping of the group audit addresses the risks of material misstatement in the Council’s financial statements, including those noted under 'Audit risks' and 'Other areas of audit focus'. For the year-end audit, aligned with ISA (UK) 600 (Revised), effective for periods starting on or after 15 December 2023, we have tailored our audit scope to respond to these identified risks.

We have determined that the audit procedures can be performed centrally. Significant procedures planned to be performed centrally and the responsibility for their performance are:

Significant Account	Details and what we will do
Cash and cash equivalent	Confirm year end balances directly with the bank
Investment Property	We will perform the same procedures set out in slide 7 to address the risk of investment property valuation and other detailed substantive procedures
Rental income	We will perform detailed substantive procedures
Long- term creditors	We will perform detailed substantive procedures

- In determining the scope of our audit, we consider, on an iterative basis the residual amount of balances and accounts of the group financial statements which are not included with the group scope. We performed risk assessment procedures to determine whether there is a risk of material misstatement within those amounts and our planned group audit scope is inclusive of our audit response to such residual risks of material misstatement, when applicable. We update and perform further risk assessment procedures as necessary to conclude our assessment.
- We plan to take a substantive audit approach



# 02 Audit risks

# Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.



## What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

## What will we do?

We will:

- Identify fraud risks during the planning stages.
- Inquire of management about risks of fraud and the controls put in place to address those risks.
- Understand the oversight given by those charged with governance of management's processes over fraud.
- Discuss with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- Consider whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- Consider the effectiveness of management's controls designed to address the risk of fraud.
- Determine an appropriate strategy to address those identified risks of fraud.
- Perform mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- Undertake procedures to identify significant unusual transactions.
- Consider whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

# Our response to significant risks (cont'd)

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We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

## Inappropriate capitalisation of revenue expenditure\*

### Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- Expenditure being classified as revenue expenditure financed as capital under statute (REFCUS) when it is inappropriate to do so.
- Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE)/Investment Property (IP) additions and/or REFCUS in the financial statements.

### What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

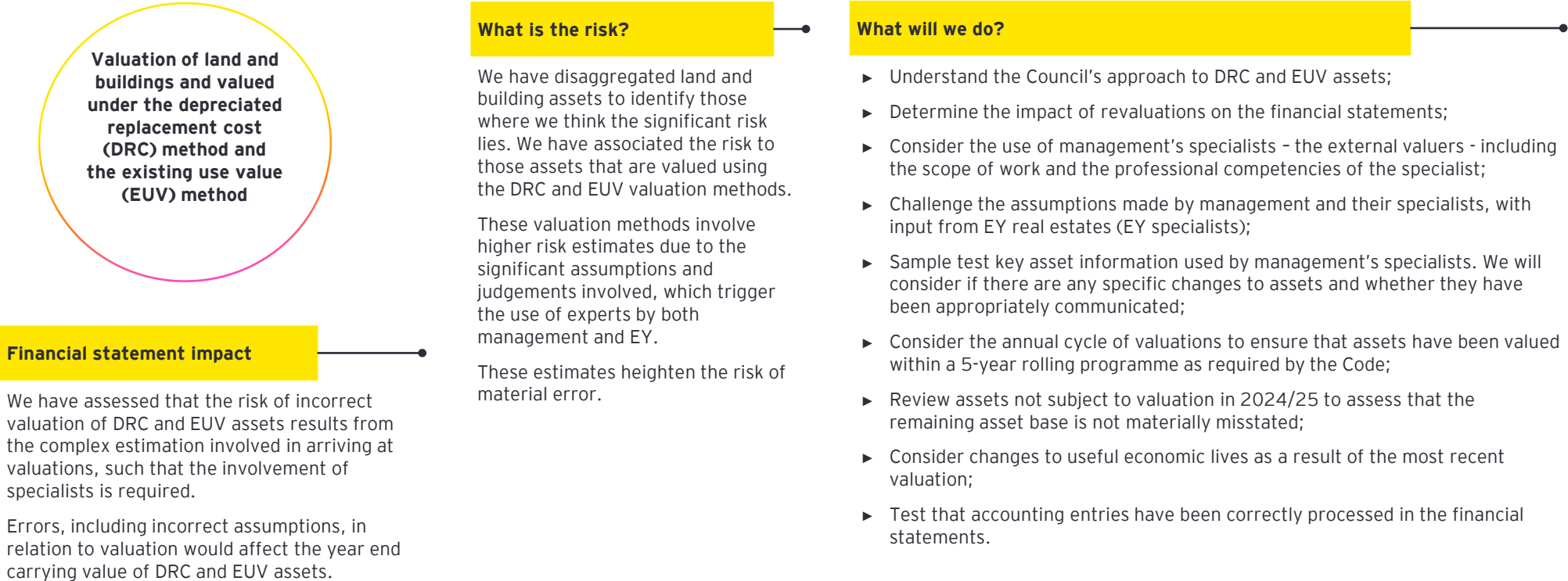
We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

### What will we do?

- Test Property, Plant and Equipment (PPE)/Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- Assess whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- Consider whether any development or other related costs that have been capitalised are reasonable to capitalize, i.e., the costs incurred are directly attributable to bringing the asset into operational use.
- Test REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources. Based on our work at the planning stage of the audit we do not expect there to be material REFCUS in the year.
- Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

# Our response to significant risks (cont'd)

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.



# Our response to significant risks (cont'd)

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We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.



## Financial statement impact

We have assessed that the risk of incorrect valuation of fair value assets results from the complex estimation involved in arriving at valuations, such that the involvement of specialists is required.

Errors, including incorrect assumptions, in relation to valuation would affect the year end carrying value of fair value assets.

## What is the risk?

The council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates - adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

These valuation methods involve higher risk estimates due to the significant assumptions and judgements involved, which trigger the use of experts by both management and EY.

These estimates heighten the risk of material error.

## What will we do?

- ▶ Understand the Council's approach to the Investment Property;
- ▶ Determine the impact of revaluations on the financial statements;
- ▶ Consider the use of management's specialists - the external valuers - including the scope of work and the professional competencies of the specialist;
- ▶ Challenge the assumptions made by management and their specialists, with input from EY real estates (EY specialists);
- ▶ Sample test key asset information used by management's specialists. We will consider if there are any specific changes to assets and whether they have been appropriately communicated;
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5-year rolling programme as required by the Code;
- ▶ Review assets not subject to valuation in 2024/25 to assess that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation;
- ▶ Test that accounting entries have been correctly processed in the financial statements.



# Our response to significant risks (cont'd)

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

IFRS 16 Implementation	What is the risk?	What will we do?
<b>Financial statement impact</b> <ul style="list-style-type: none"><li>Assets being used by the council under operating leases are likely to be capitalised along with an associated lease liability.</li><li>Lease liabilities and right of use assets will be subject to more frequent remeasurement.</li><li>Other amendments have been made to the CIPFA Code to expand the definition of donated assets to include right-of-use assets and on accounting for leases provided at below market rate, including peppercorn and nil consideration.</li></ul>	<ul style="list-style-type: none"><li>IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/24 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council's 2024/25 accounts.</li><li>IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.</li><li>Successful transition will depend on the Council having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Council will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.</li><li>Based on our prior year work the Council had made little progress in collecting the information necessary to implement IFRS 16 and determine the impact on its financial statements.</li></ul>	<ul style="list-style-type: none"><li>Gain an understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16. We will pay particular attention to the Council's arrangements to ensure lease and lease-type arrangements considered are complete.</li><li>Review the discount rate that is used to calculate the right of use asset and assess its reasonableness.</li><li>Review management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components.</li><li>Gain assurance over the right of use asset included in the 2024/25 financial statements</li><li>Sample test leases to ensure that transition arrangements have been correctly applied.</li><li>Consider the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.</li></ul>

# Other areas of audit focus

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We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement	What else will we do?
<p><b>Pension Liability Valuation</b></p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council.</p> <p>The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2024 this totalled £7,431m.</p> <p>The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the Council.</p> <p>Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>▪ Liaise with the auditors of Hampshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council</li> <li>▪ Assess the work of the pension fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team</li> <li>▪ Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and</li> <li>▪ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.</li> </ul>	<p>We will consider outturn information available at the time we undertake our work after production of the Council's draft financial statements, for example the year-end actual valuation of pension fund assets. We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.</p>



# 03 Value for Money risks

# Value for Money

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## Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

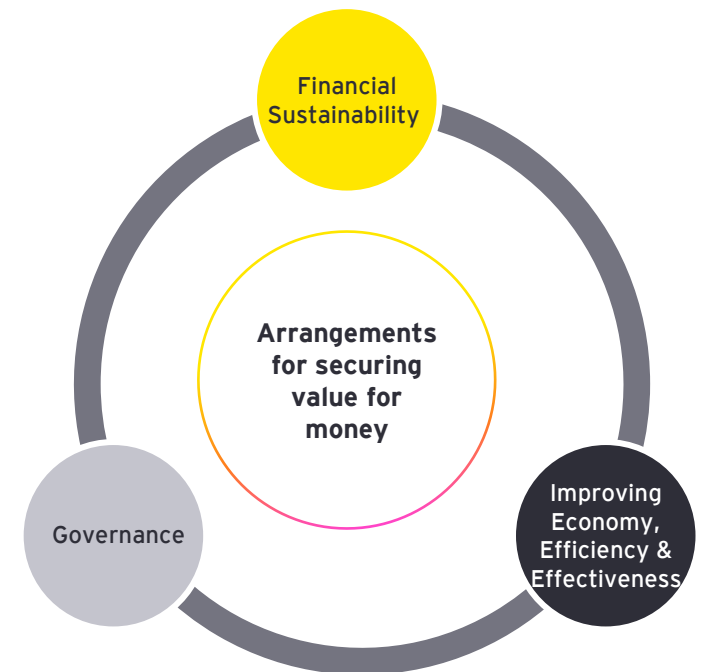
As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

## Auditor Responsibilities

Under the NAO Code we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.



# Value for Money (cont'd)

## Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes require us to conduct a risk assessment that collects sufficient evidence to document our evaluation of the Council's arrangements, allowing us to draft a commentary under the three reporting criteria. This involves identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. In considering the Council's arrangements, we consider:

- The governance statement;
- Evidence of arrangements during the reporting period;
- Evidence obtained from our audit of the financial statements;
- The work of inspectorates and other bodies; and
- Any other evidence that we deem as necessary to facilitate the performance of our statutory duties.

We then evaluate whether there is evidence indicating significant weaknesses in arrangements. According to the NAO's guidance, determining what constitutes a significant weakness and the extent of additional audit work required to address the risk is based on professional judgment. The NAO indicates that a weakness can be considered significant if it:

- Exposes, or could reasonably be expected to expose, the council to significant financial loss or risk;
- Leads to, or could reasonably be expected to lead to, significant impact on the quality or effectiveness of service or on the council's reputation or unlawful actions;
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

## Responding to identified risks of significant weakness

When planning work identifies a risk of significant weakness, the NAO's guidance requires us to consider the additional evidence needed to verify whether there is a significant weakness in arrangements. This involves conducting further procedures as necessary. We are required to report our planned procedures to the Audit Committee.



# Value for Money (cont'd)

Page 50

## Reporting on VFM

If we determine that the Council has not made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, the NAO Code mandates that we reference this by exception in the audit report on the financial statements.

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the Council's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the Council's awareness. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2024/25 Auditor's Annual Report is required to be issued by 30 November 2025 to comply with the revised requirements of the NAO Code.

## Status of our 2024/25 VFM planning

We have completed our initial value for money planning, where we have considered, our entity level controls and understanding the business assessment, the Council's Risk Register, the Annual Governance Statement, Council meeting minutes, key financial and budget information, key performance reports, internal audit reports, information from local, national and specialist media, and findings of other inspectorates, review agencies and other relevant bodies.

## Value for Money Risks

The table summarises the risk of significant weaknesses identified during our planning. We will review arrangements and risks regularly, updating our work if new risks arise and inform you of any additional significant weaknesses.

What is the risk of significant weakness?	What arrangements does this impact	Change from PY	Details and what we will do
<p>The high level of short-term borrowings without sufficient income to finance the repayments as well as increase in interest costs have resulted in a financial uncertainty.</p> <p>The revised 2024-25 budget projected a £5.4m deficit before savings and a cumulative £16.6m MTFS deficit to 2027-28 with £10.7m of available reserves to cover the deficit</p>	Financial sustainability	No change in risk or focus	<p>Our approach will focus on:</p> <ul style="list-style-type: none"><li>➤ Review of the Council's progress against the Financial Resilience Review Action Plan agreed following a recent review of the Council's arrangements for financial sustainability by the Chartered Institute of Public Finance and Accountancy (CIPFA).</li><li>➤ Review the future savings plans factored into the Financial Resilience Review against the budget outturn report to determine if those savings have materialised.</li><li>➤ Review the Council's arrangements for cash flow forecasting to ensure that it is able to refinance short-term borrowing and remain liquid for the foreseeable future.</li></ul>



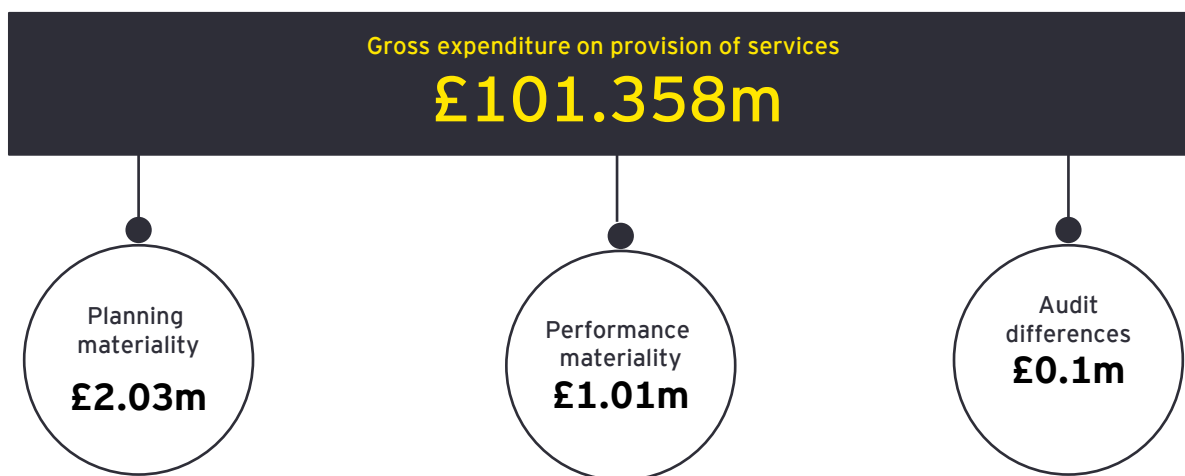
# 04 Audit materiality

# Materiality

Page 52

## Group materiality

For planning purposes, Group materiality for 2025 has been set at £2.027m. This represents 2% of the Group's 2025 gross expenditure on provision of services. It will be reassessed throughout the audit process. Include rationale for choosing this basis and percentage in line with what is anticipated in the auditor's report. Include the qualitative factors which were considered when setting the level of materiality. We have provided supplemental information about audit materiality in Appendix F.



We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.

We request that the Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

## Key definitions

**Planning materiality** – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.014m which represents 50% of group materiality. After consideration of a range of factors such, including the number of audit differences identified in our 2024/25 audit and we disclaimed more than one opinion prior to 23/24, therefore is more likely that the delays in the audits were due to a weaker control environment at the entity and more misstatements

**Audit difference threshold** – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the income statement and balance sheet that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the audit committee or are important from a qualitative perspective.



# 05 Scope of our audit

# Audit process and strategy

Page 54

## Objective and Scope of our Audit scoping

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Council. Additionally, we aim to ensure that the Council has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code.

We issue an audit report that covers:

### 1. Financial statement audit

Our opinion on the financial statements:

- Whether the financial statements give a true and fair view of the financial position of the group and its expenditure and income for the period in question; and
- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- whether other information published together with the audited financial statements is consistent with the financial statements.

Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

### 2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.



# Audit process and strategy (cont'd)

## Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.
- Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the Council has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

### Analytics

We will use a data driven approach to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

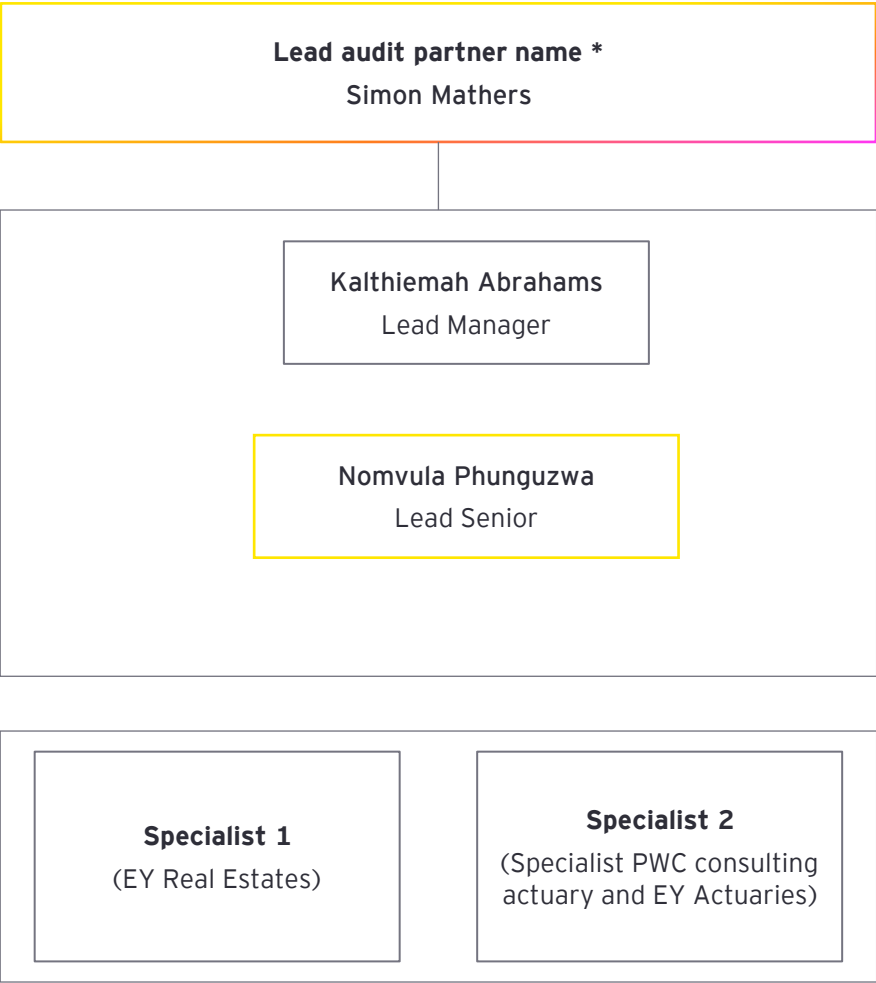
### Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



# 06 Audit team

# Audit team



\* Key Audit Partner

# Use of specialists

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Our approach to the involvement of specialists, and the use of their work

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	EY Valuations team
Pensions disclosure	EY Actuaries

In accordance with Auditing Standards, we will evaluate each specialist’s professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Group’s business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable
- Assess the reasonableness of the assumptions and methods used
- Consider the appropriateness of the timing of when the specialist carried out the work
- Assess whether the substance of the specialist’s findings are properly reflected in the financial statements



# 07 Audit timeline

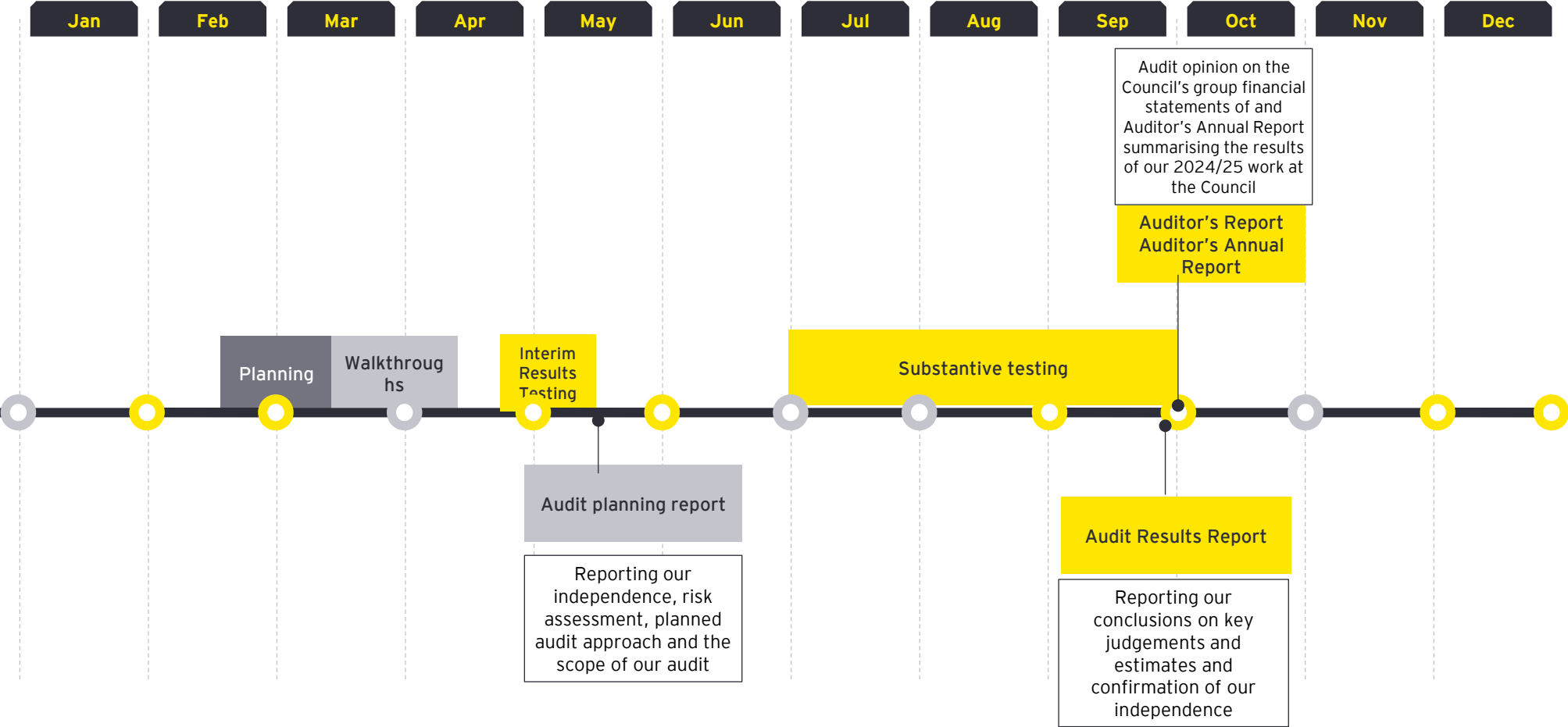


# Timetable of communication and deliverables

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## Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the 2024/25 audit cycle. From time-to-time matters may arise that require immediate communication with the CGAS Committee and we will discuss them with the CGAS Committee Chair as appropriate.





# 08 Independence

# Introduction

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The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> <li>▪ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▪ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▪ The overall assessment of threats and safeguards;</li> <li>▪ Information about the general policies and process within EY to maintain objectivity and independence</li> <li>▪ The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a 'pre-approval' to provide the service).</li> <li>▪ All proposed NAS for PIE audit clients will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▪ Details of non-audit/additional services provided and the fees charged in relation thereto;</li> <li>▪ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▪ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner</li> <li>▪ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▪ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and</li> <li>▪ An opportunity to discuss auditor independence issues.</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

# Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However, we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

## Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Simon Mathers, your audit engagement partner and the audit engagement team have not been compromised.

## Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees and no planned non-audit services.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

## Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

## Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

## Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

# Other communications

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## EY Transparency Report 2024

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2024 and can be found here: **EY UK 2024 Transparency Report**.



# 09 Appendices



# Appendix A – PSAA Statement of Responsibilities

Page 66

As set out on the next page our fee is based on the assumption that the Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

## **Preparation of the statement of accounts**

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- during the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

# Appendix B – Fees

PSAA opted-in bodies: The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

**Other Bodies** – A breakdown of our fees is shown in the table to the right.

The agreed fee presented is based on the following assumptions:

- ▶ officers meeting the agreed timetable of deliverables;
- ▶ our financial statement opinion and value for money conclusion being unqualified;
- ▶ appropriate quality of documentation is provided by the Council;
- ▶ an effective control environment; and
- ▶ compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

	2024-25	2023-24	2022-23
	£	£	£
Total Fee – Code Work	159,935 Note 3	145, 266	TBC Note 1
Scale Fee Variation	N/A	85,629 Note 2	N/A
Scale Fee Variation 2022/23 - Value for Money			15,502 Note 1
<b>Total audit</b>	<b>TBC</b>	<b>230,895</b>	<b>145, 266</b>

## All fees exclude VAT

1. As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC (now MHCLG), PSAA has used its fee variation process to determine the final fee for 2022/23 VFM of £15,502 which has been accepted by the Council. The determination of the final fee for 2022/23 work outside of VFM remains outstanding with PSAA.
2. The 2023/24 work is now complete and we intend to submit a proposal to PSAA for a scale fee variation totalling £85,629. This final fee includes an adjustment for the following areas:
  - Additional procedures to implement the revised ISA 315 (UK) auditing standard as originally set out in our Audit Planning Report, totalling £16,902.
  - Additional procedures to consider the Council's readiness for the implementation of IFRS 16 as originally set out in our Audit Planning report, totalling £890.
  - Additional work performed due to weaknesses in quality of supporting evidence provided leading to significant follow-up, resampling and the need for additional procedures performed to quantify the impact of identified errors on the financial statements, totalling £30,438
  - Involvement of our EYRE valuation professionals in response to the assessed significant risk and additional work performed as a result of delays and weaknesses in the quality of evidence provided to support PPE and IP valuation, totalling £19,901
  - Additional procedures performed by the Pensions expert due to the error in the IAS pension valuation report and roll forward across, totalling £10,038
  - First year audit of Group accounts, totalling, £7,460
3. Scale fees for 2024/25 have been increased by PSAA to cover additional audit work under revised standards and a contractual inflationary increase payable to audit firms. The new work relates to revised auditing standard ISA (UK) 315 (risks of material misstatement) and linked work on ISA (UK) 240 (fraud).

# Appendix C – Scoping the group audit

## Overview of approach to group scoping

Where audit procedures are to be performed centrally and these are significant to the group strategy. We determined whether centralised procedures can be performed before we determined which components to include in the group audit scope, and the work to be performed at those components. We then identified the components that are individually relevant to the group for which audit procedures will need to be performed to respond to the assessed risks of material misstatement of the group financial statements.

We considered the following matters to determine which components were individually relevant:

- The significant risks (including fraud risks), and other areas of higher assessed risk associated with the component and the nature of the circumstances related to those risk(s) of material misstatement, including the relative size of the balance at the component.
- The financial size of the component relative to the group

We identified the accounts to be included in the work to be performed at these components based on the components' financial information.

We applied professional judgment in determining those accounts having considered:

- The reasons the component was identified as individually relevant and the accounts affected by risks associated with the component
- The extent of centralised procedures
- Whether the accounts are affected by other assessed risks of material misstatement of the group financial statements
- The relative size of the balance at the component.

We considered the balance of group accounts not yet subject to planned audit procedures and determined whether it is necessary to perform audit procedures on further accounts in components which are individually relevant and/or include accounts in additional components within the group audit scope to address the risks of material misstatement of the group financial statements. The number of additional components and extent of procedures to be performed took into consideration:

- The extent of evidence already planned to be obtained from components which are individually relevant and the related in-scope accounts
- Whether centralised procedures can be performed on the residual account balances, including testing direct entity-level controls that operate throughout the group
- The results of risk assessment analytical procedures performed
- The results of the analysis on the residual significant account balances

Having identified the components for which work will be performed, we determined the scope to assign to each component.

- ▶ For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below
  - ▶ The primary team will confirm the year-end bank balance through confirmation.com, audit the fair value of investment property and test the rental income earned by RHL during the year.

# Appendix D – Required communications with the Audit Committee

We have detailed the communications that we must provide to the audit committee.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: <ul style="list-style-type: none"> <li>▪ The planned scope and timing of the audit</li> <li>▪ Any limitations on the planned work to be undertaken</li> <li>▪ The planned use of internal audit</li> <li>▪ The significant risks identified</li> </ul> When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report, as presented to the Corporate Governance, Audit and Standards Committee in May 2025
Significant findings from the audit	<ul style="list-style-type: none"> <li>▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▪ Significant difficulties, if any, encountered during the audit</li> <li>▪ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▪ Written representations that we are seeking</li> <li>▪ Expected modifications to the audit report</li> <li>▪ Other matters if any, significant to the oversight of the financial reporting process</li> <li>▪ Findings and issues regarding the opening balance on initial audits (delete if not an initial audit)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Audit results report-tbc</li> </ul>

# Appendix D – Required communications with the Audit Committee (cont'd)

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Required communications	What is reported?	Our Reporting to you
		When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▪ Whether the events or conditions constitute a material uncertainty</li> <li>▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▪ The adequacy of related disclosures in the financial statements</li> </ul>	Audit results report - tbc
Misstatements	<ul style="list-style-type: none"> <li>▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▪ The effect of uncorrected misstatements related to prior periods</li> <li>▪ A request that any uncorrected misstatement be corrected</li> <li>▪ Material misstatements corrected by management</li> </ul>	Audit results report - tbc
Fraud	<ul style="list-style-type: none"> <li>▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements</li> </ul> </li> <li>▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud</li> <li>▪ Any other matters related to fraud, relevant to Audit Committee responsibility</li> </ul>	Audit results report - tbc

# Appendix D – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▪ Non-disclosure by management</li> <li>▪ Inappropriate authorisation and approval of transactions</li> <li>▪ Disagreement over disclosures</li> <li>▪ Non-compliance with laws and regulations</li> <li>▪ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit results report - tbc
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> <li>▪ Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</li> <li>▪ The principal threats</li> <li>▪ Safeguards adopted and their effectiveness</li> <li>▪ An overall assessment of threats and safeguards</li> <li>▪ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p> <ul style="list-style-type: none"> <li>▪ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit</li> <li>▪ Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy</li> <li>▪ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard</li> <li>▪ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence</li> </ul>	Audit planning report, as presented to the Corporate Governance, Audit and Standards Committee in May 2025



# Appendix D – Required communications with the Audit Committee (cont'd)

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		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> <li>Management's refusal for us to request confirmations</li> <li>Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit results report - tbc
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of</li> </ul>	Audit results report - tbc
Internal controls	<ul style="list-style-type: none"> <li>Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit results report - tbc
Group audits	<ul style="list-style-type: none"> <li>An overview of the work to be performed at the components and the nature of the group audit team's planned involvement in the work to be performed by component teams</li> <li>Instances when the group audit team's review of the work of a component team gave rise to a concern about the quality of that team's work, and how the group audit team addressed the concern</li> <li>Any limitations on the ability to obtain sufficient appropriate audit evidence in support of the group audit opinion, for example, where the group audit team's access to people or information may have been restricted</li> <li>Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements</li> <li>Significant deficiencies identified in the group's system of internal control</li> </ul>	Audit results report - tbc

# Appendix D – Required communications with the Audit Committee

		Our Reporting to you
Required communications	What is reported?	When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report - tbc
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report - tbc
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report - tbc
Auditors report	<ul style="list-style-type: none"><li>▪ Key audit matters that we will include in our auditor's report</li><li>▪ Any circumstances identified that affect the form and content of our auditor's report</li></ul>	Audit results report - tbc

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**CORPORATE GOVERNANCE  
AUDIT AND STANDARDS COMMITTEE**

**FINANCIAL GOVERNANCE  
MANAGER  
REPORT NO. AUD 25/03**

**22<sup>nd</sup> MAY 2025**

**ANNUAL GOVERNANCE STATEMENT – DRAFT - 2024/25**

**SUMMARY:**

The purpose of this report is to present the Annual Governance Statement 2024/25 for review and approval.

**RECOMMENDATIONS:**

Members are requested to, where necessary make comment and approve the Council's Annual Governance Statement 2024/25.

**1 Introduction**

- 1.1 In July 2017 the Council adopted a revised Code of Corporate Governance prepared in accordance with the CIPFA/ SOLACE framework document entitled 'Delivering Good Governance in Local Government: Framework (2016 Edition)'.
- 1.2 Regulation 6(1) of the Accounts and Audit Regulations 2015, provides that each financial year the Council must:
  - a) Conduct a review of the effectiveness of the system of internal control; and
  - b) Prepare an annual governance statement.
- 1.3 The Annual Governance Statement (AGS) should be reviewed and approved by this Committee prior to being signed by the Chief Executive and the Leader. The statement will then be finalised with the signed Statement of Accounts.

**2 What is the Annual Governance Statement**

- 2.1 The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an AGS, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in the year and on any planned changes to our governance arrangements in the coming year.
- 2.2 The Committee provides essential support for the approval of the AGS and for ensuring that good governance is embedded throughout the Council's activities.

### **3 Methodology for compiling the AGS**

- 3.1 The existing governance arrangements against the CIPFA/ SOLACE: 'Delivering good governance in Local Government framework – 2016 Edition' have been reviewed.
- 3.2 The Corporate Management Team (CMT) and the Corporate Governance Group (CGG) will review the AGS to ensure all governance arrangements have been reflected within the statement.
- 3.3 Actions to improve the governance arrangements are detailed within the AGS. Work undertaken towards implementing these actions will be regularly reviewed by the CGG and updates on the progress will be reported to this Committee.
- 3.4 The AGS for 2024/25 is contained within Appendix A of this report and the Council's Local Code of Corporate Governance is contained within Appendix B.

### **4. Requirements of the Committee**

- 4.1 To ensure a meaningful review of the AGS, this Committee should draw on its knowledge of the governance arrangements established and how they have operated during the course of the year, including:
  - Reviewing the Local Code of Corporate Governance which is contained within Appendix B of this report;
  - Ensure that the AGS is underpinned by a framework of assurance, which has been set out within the AGS;
  - Assurances provided by Internal Audit throughout the course of the year for the application of governance arrangements in practice and the monitoring of recommendations to improve governance arrangements; and
  - Consider how the Council applies governance principles in practice based on other agenda items reviewed by the Committee throughout the year.
- 4.2 The Committee needs to be satisfied that the AGS contained in appendix A properly reflects the governance environment and any actions required to improve it and demonstrates how governance supports the achievement of the Council's objectives.

**AUTHOR:** Nikki Fleming, Financial Governance Manager  
01252 398810  
[nikki.fleming@rushmoor.gov.uk](mailto:nikki.fleming@rushmoor.gov.uk)

**HEAD OF SERVICE:** Peter Vickers, Executive Head of Finance & S151  
01252 398440  
[peter.vickers@rushmoor.gov.uk](mailto:peter.vickers@rushmoor.gov.uk)

**References:** CIPFA/ SOLACE framework: Delivering Good Governance in Local Government: Framework (2016 Edition)



## **DRAFT - ANNUAL GOVERNANCE STATEMENT – 24/25**

### **1. Introduction and scope of responsibility**

- 1.1 Rushmoor Borough Council (RBC) is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 The Council is responsible for putting in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.
- 1.3 The Annual Governance Statement (AGS) states how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6 (1b), and as amended by the Accounts and Audit (coronavirus) (Amendment) regulations 2020, which requires all relevant authorities to prepare an Annual Governance Statement. It is subject to review and approval by the Corporate Governance, Audit and Standards Committee (CGAS Committee), and the Corporate Management Team (CMT).
- 1.4 In this document the Council:
  - acknowledges its responsibility for ensuring that there is a sound system of governance;
  - summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
  - describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
  - provides details of how the Council has responded to any issue(s) identified in the previous year's governance statement; and
  - reports on any key governance matters identified from this review and provides a commitment to addressing them.

### **2. The Council's governance framework**

The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

Rushmoor Borough Council (RBC) has approved and adopted a local code of corporate governance, which is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering good governance in Local Government'. A copy of RBC's adopted Code is on the Council's website, ([Local Code of Corporate Governance](#)). This details the key policies, procedures and systems by which the Council is controlled and governed. RBC updates its code annually and evidence is collated and assessment for compliance by the Corporate Governance Group (CCG) and the Executive Leadership Team (ELT).

Rushmoor Borough Council comprises of 39 Councillors who represent 13 wards across the Borough. It currently operates under a Leader and Cabinet structure with Cabinet Members responsible for individual portfolios.

The staff of the Council are managed by the Managing Director (MD), who is the Head of Paid Services. The MD is supported by an Executive Leadership Team (ELT).

Key sources of assurance for the council's governance framework are set out below.

Council, Cabinet and Leader	<ul style="list-style-type: none"> <li>• Adopting and making substantive changes to the Constitution</li> <li>• Approving or adopting the annual budget</li> <li>• Agreeing and/or amending the Terms of Reference for Committees, deciding on their composition and appointing.</li> </ul>
Overview and Scrutiny Committee	<ul style="list-style-type: none"> <li>• Pre and post Cabinet decisions made are subject to scrutiny/ call in for review by the Committee.</li> </ul>
Corporate Governance, Audit and Standards Committee (CGAS)	<ul style="list-style-type: none"> <li>• Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</li> <li>• Promotes high standards of Member conduct</li> <li>• Approves the Annual Statement of Accounts and Annual Governance Statement.</li> <li>• Independent Member.</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• The corporate risk register is regularly reviewed and monitored to ensure appropriate mitigation is in place.</li> <li>• Service risk registers are regularly maintained and updated which are fed into the corporate risk register.</li> <li>• Regular updates on risk management and the risk environment is provided to Cabinet.</li> </ul>
Corporate Governance Group	<ul style="list-style-type: none"> <li>• Officers with statutory roles within the Council review and provide assurance over the governance arrangements within the Council including constitutional changes and operational matters.</li> </ul>

External assurances	<ul style="list-style-type: none"> <li>Assurances are obtained from external bodies e.g. compliance with Public Services Network (PSN) and CIPFA</li> <li>Peer reviews</li> <li>Engagement with LGA and encourage reviews.</li> </ul>
Information Governance Group (IGG)	<ul style="list-style-type: none"> <li>Develops and maintains an information governance framework for effective management of information.</li> <li>Authority to decide/recommend operational matters around all aspects of information governance and reports to Corporate Governance Group.</li> <li>Oversight of the Council's cyber security treatment plan.</li> </ul>
Capital Programme Board	<ul style="list-style-type: none"> <li>Review of governance and risk management over major projects.</li> </ul>
Head of Paid Service	<ul style="list-style-type: none"> <li>The Interim Managing Director (MD) carries the responsibility for the proper management of RBC and for ensuring that the principle of good governance are reflected in sound management arrangements.</li> <li>Leads the Council's management team in driving forward the Council's strategic objectives.</li> </ul>
Monitoring Officer	<ul style="list-style-type: none"> <li>Ensures compliance with established policies, procedures, law and regulations.</li> <li>Monitors ethical standards.</li> <li>Reports actual or potential breaches of the law.</li> </ul>
Section 151 Officer	<ul style="list-style-type: none"> <li>Develops a medium-term financial strategy that is aligned with strategic priorities.</li> <li>Safeguards public money</li> <li>Promotes and deliver good financial management and governance.</li> </ul>
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> <li>Implements the policy and budgetary framework set by the council and provides advice to committees and the Council on the development of future policy and budgetary issues and oversees the implementation of Council policy.</li> <li>Influences a corporate culture and fostering a culture of high ethical standards and integrity.</li> <li>Identifies and addresses cross cutting and strategic issues that may impact on the Council's control environment and risk.</li> </ul>
Corporate Management Team (CMT), incorporating ELT	<ul style="list-style-type: none"> <li>Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. Including maintaining service and corporate risk register.</li> <li>Contribute to the effective corporate management and governance of the Council.</li> <li>Provide assurance statements for the governance arrangements within their services which inform the Local Code of Corporate Governance and the AGS.</li> <li>Performance management.</li> </ul>

External Audit	<ul style="list-style-type: none"> <li>• Audit and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion)</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework.</li> <li>• Delivers an annual programme on risk-based audit activity</li> <li>• Makes recommendations for improvements in the management of the Council's risk, governance and control environment.</li> </ul>
Property Investment Advisory Group	<ul style="list-style-type: none"> <li>• Oversees the Council's commercial property</li> </ul>

### 3. Principles

- 4.1 Set out below is a summary of how the Council has complied with the seven principles set out in the CIPFA/SOLACE framework during 2024/25.

#### **A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Council's constitution sets out how the Council operates, roles and responsibilities of Members and Officers, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The constitution is published on the Council's website.

The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures, and is also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation of the Council's constitution. In RBC, the Interim Monitoring Officer is Amanda Bancroft (Corporate Manager – Legal) from 12<sup>th</sup> May 2025.

Section 151 of the Local Government Act 1972 specifies that one officer must be responsible for the financial administration of the organisation and that this officer must be CCAB qualified. In RBC, this is the Executive Head of Finance.

The Council has established a Corporate Governance Group, which includes the Monitoring Officer & deputy, S151 Officer & deputy, Corporate Manager – IT, Information Governance Officer, Service Manager – Risk, Performance and Procurement, Corporate Manager - People Team and Financial Governance Manager, to ensure that the Council works within its rules and that the

necessary governance provisions are followed, and associated guidance, advice and training is provided.

The Council has adopted a Corporate Values and Behaviours framework which sets out the attitudes and behaviours expected from staff. The four values are Collaborate, Innovate, Brave and Integrity.

The Council's in-house legal service identifies and advises the Council on key elements of the law and their application. External legal advice is sought where necessary, for example, on specialist areas of law, higher risk and high value matters.

## **B – Ensuring openness and comprehensive stakeholder engagement**

The Council has invested in a range of traditional, digital, and social media channels to enable regular contact, engagement, and consultation with its key stakeholder groups, including customer feedback surveys, workshops, consultation items on the Council's website and regular citizen consultation on both Borough-wide and place specific issues. There has been extensive consultation for the regeneration function including direct mailshots, public exhibitions, group meetings and presentations.

The Council's 3-year business plan is published on the council's website along with the monitoring of the actions towards the plan.

A statement of community involvement is published on the Council's website. The Council aims to make sure that there is a clear and proper consultation procedure that shows what the community and stakeholder should expect. To achieve this the Council will adhere to the following five principles:

- Ensuring equal opportunity
- Keeping the community informed
- Ensuring the community is involved
- Ensuring community engagement is relevant
- Providing feedback.

Business engagement – the council seeks to engage directly with local businesses to ensure that there is an understanding of local business needs. Underpinned by the aims and objectives of the council's Strategic Economic Framework, this engagement includes bi-annual business surveys, quarterly business forums with businesses and membership of/ regular engagement with, business representative organisations such as the Federation of Small Businesses and Hampshire Chambers of Commerce. A monthly business newsletter has also been developed to engage with local businesses and to provide a consultation mechanism.

## **C – Determining outcomes in terms of sustainable economic, social and environmental benefits**

Our Cabinet has recently agreed to a new set of five priority themes for Aldershot and Farnborough:

- Skills, economy and business
- Homes for all: quality living, affordable housing
- Community and wellbeing: active life, healthier and stronger communities
- Pride in place: clean, safe and vibrant neighbourhoods
- Vision for the future and financial sustainability

The above themes will be part of a new council delivery plan. In the meantime, the Council will still be working to the plans and performance monitoring of the Council plan 2023-26.

Our Council plan outlines the Council's priorities over the next three years. It also describes the key strategic projects that will contribute to achieving our vision.

A template is in place for the Council's reports to Cabinet which require the consideration of business, Strategic, Economic, Legal, Financial and Equalities impact of the decisions being made and how decisions are to be made. All reports requiring executive decisions (except those exempt) are accessible via the Council's website.

The Council has adopted and implemented the Local Plan 2014-2032 (adopted 21 February 2019). Details are published on the Council's website. Consultation was undertaken to engage as many residents and stakeholders as possible. Feedback from the consultation informed the submission of the Local Plan. Social, environmental and economic evidence was obtained to inform the development of the Local plan. The Local Plan is the basis together with the National Planning Policy Framework and associated guidance of all development decisions and therefore all decisions are informed by the consultation and evidence at a strategic level and assessed as to how they meet these requirements based on the specific application.

In July 2023, members of the council's Cabinet approved a new Climate change plan and agreed to the council's Carbon footprint being published and monitored.



## **D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

Options are required before decisions are taken and service changes implemented, including seeking external / independent expertise if the decision is of a complex technical nature.

The Overview & Scrutiny Committee considers the effective delivery of Council priorities and recommends interventions and remedies as appropriate.

Arrangements are in place to monitor operational and financial plans, priorities, KPI's, quality and targets and to report on progress, e.g. quarterly monitoring, budget monitoring.

The Council has several key partnerships with other local authorities and stakeholders in order to optimise the achievement of the Council's corporate plan.

The Council has in place more significant arrangements for project development, both internally and through the Member decision making structure. This has been achieved through the revised Member structure to include the following:

- Corporate Governance, Audit and Standards (CGAS) Committee, with specific roles to ensure effective governance
- The Property Investment Advisory Group (PIAG) provides early consideration of projects prior to submission to the Cabinet. This group is supported by LSHIM who provide market-based assessments of acquisition, disposal, and asset performance.
- The Overview and Scrutiny Committee is undertaking both pre- and post-decision scrutiny on a range of issues and projects. Examples of work undertaken by the Committee during 24/25 include:
  - Disposal of units at Union Yard development
- The Regeneration and Major Projects Programme Board provides the oversight and key input into the delivery of projects and meets 6-weekly. Each project within the defined programme has an established resource structure across a number of disciplines within the Council to ensure the right course of action is taken.

## **E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

The People Strategy includes four key themes which encourages a positive culture enabling high performance, the development of people to realise their potential, that people are engaged and feel valued and supported, as well as the Council being an employer of choice.

Arrangements are in place to ensure staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and are able to update their knowledge on a continuing basis e.g., CPD through attendance at seminars/conferences, mandatory training courses via the Council’s e-learning modules etc.

The Council engages external consultants when additional resources or specialist resources are required to ensure the effective delivery of its services or projects.

The Council regularly supports the attendance of both executive and non-executive councillors at the LGA leadership essential courses and weekend events across a number of topic areas including finance, climate change and equalities.

The Council supports apprenticeship training for new apprenticeship contracts and for upskilling staff. The Council is currently supporting 9 members of staff to gain apprenticeship qualifications. Leadership programmes are promoted and encouraged to support the continued professional development of staff and succession planning objectives. Development includes the Frimley Health 20/20 and Wavelength programmes and District Council Network, Solace and Local Government Association courses and networking opportunities. The annual development reviews and regular one to ones enable the Council to identify and development and succession planning opportunities.

The Council subscribes to an Employee Assistance Programme to support health and wellbeing of staff and organises wellbeing walks. Lunch and learn sessions are delivered on topics such as climate change and disability awareness.

The Council’s senior leadership structure was restructured at the beginning of 2025 to reflect the considerations made by the LGA Corporate Peer Challenge in June 2024, the CIPFA review and the new administration. The agreed structure proposal of deleting the position of CEX would realise initial savings and an interim Managing Director and Head of Paid service would be appointed to focus on further organisational structure changes and efficiencies.

## **F – Managing risks and performance through robust internal control and strong public financial management**

Work will continue to ensure the risk management process is further embedded within the Council. Cabinet receives quarterly reports covering both performance and risk. Heads of Service update their relevant service risk registers monthly and record these on a central database. Any service risks which are appropriate for the corporate risk register are escalated to the Corporate Management Team (CMT) for further review and consideration. Quarterly the corporate risk register is reviewed by CMT.

Internal Audit provides a risk-based audit plan and reports on the effectiveness of risk management and internal control to the Corporate Governance, Audit and Standards (CGAS) Committee.

The Council's Cyber Security position, plans and mitigations are reported and reviewed via Corporate Governance Group and Corporate Management Team. The Council continues to enhance its cyber aware training and simulation exercises for staff and members. Previous funding from MHCLG was used to set-up immutable backups, enhance the business continuity plan including business impact assessments supporting critical functions of the council and developing and testing a Cyber Incident Response Plan. Comprehensive IT Change management is in place for changes to live systems and infrastructure. A mobile device management solution has been implemented to manage and protect the council's data following NCSC guidelines. A 24\*7 managed Security Operations Centre has commenced which reports any unusual cyber activity and detains any security incidents. Audits and remediation continue annually for the Public Services Network to maintain compliance. Data security requirements are being put in place for compliance with the DWP's Memorandum of Understanding for the use of DWP derived data, which is audited. The National Cyber Security Centre (NCSC), Microsoft, Local Government Association (LGA) and (Warning, Advice and Reporting Point) WARP alerting services are used to follow best practice. The MHCLG's Cyber Assessment Framework (CAF) Ready programme has been completed, achieving additional funding to enhance the council's cyber security posture. The Council is also reviewing guidance from the governments Cyber Code of Practice.

Effective arrangements are in place for the safe collection, storage, use and sharing of data with other bodies, including processes to safeguard personal data in line with GDPR requirements. Information governance and data security e-learning modules are mandatory for all staff and Members on how to manage Council data.

Financial management and governance has been strengthened through additional senior qualified and experienced accounting capacity with specific focus on financial management and governance.

## **G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability**

The Council and its decisions are open and accessible to the community, service users, partners and its staff. The Freedom of Information Act 2000 (FOI) gives anyone the right to ask for any information held by the Council subject to the need to preserve confidentiality in specific circumstances.

The Council's constitution sets out how decisions are made and specific reference to decision making by Full Council, Cabinet, Committees and scrutinised by the Overview and Scrutiny Committee. The Constitution includes the officer Scheme of Delegation which sets out the powers and functions that are delegated to named Council Officers.

The Council seeks peer reviews and implements recommendations made to strengthen the governance, risk and control environment.

Risk based internal auditing provides ongoing assurance that the key risks are being managed.

#### **4. Key governance changes in year**

##### **4.1 LGA Corporate Peer Challenge**

In June 2024 a Local Government Association (LGA) Corporate Peer Challenge was undertaken. An exercise where a team of local authority experts look at how we work as an organisation. The peer team considered the following 5 themes:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

10 recommendations were made by the review team and an action plan to take these forward was presented and agreed by Cabinet in October 2024. Progress towards the implementation of these actions will continue to be reported as part of the quarterly performance monitoring to Cabinet.

##### **4.2 Review of Senior Leadership Team**

The senior leadership team is currently under review to align to the priorities set out in the 2025-26 Council Delivery Plan and to demonstrate clearer accountability, a simplified structure and reduced costs. This process began in April 2025 when the Council approved the removal of the role of Chief Executive and agreed new arrangements, appointing an interim Managing Director to complete the review within a 6-month period.

##### **4.3 Finances**

In February 2023 the council approved a balanced budget without the need to draw on reserves for 2023-24 and forecasted a balanced budget for the following year, 2024-25. However, these forecasts significantly underestimated the interest payment on the £167m of short-term borrowing (February 2023 bank rate 4% vs budgeted 1.66%) and the borrowing was fully exposed to further interest rate rises in the coming year. Inflation had also been underestimated at circa. 2.5% vs inflation of 10.4% as at February 2023 and projected to reduce gradually. Consequently, the revised 2024-25 budget approved on 22nd February 2024 projected a £5.4m deficit before savings and a cumulative £16.6m MTFS deficit to 2027-28 with £10.7m of available reserves to cover the deficit (increased to £12.22m in July 2024 by the 2023-24 outturn surplus).

At the 22nd February 2024 Budget Council, a financial recovery plan was agreed requiring a total recurrent net budget reduction of £4m by the end of 2027-28 to balance the budget without any further reliance on reserves beyond the MTFS period. The plan acknowledged that interest on the £167m of short-term borrowing (i.e. property investment and regeneration projects were funded by borrowing maturing in less than one year where rates were below 1% compared to longer term where rates were 2-3% higher) was the ongoing cause of the deficit, and therefore required £40m of asset sales over the MTFS period

to repay borrowing and consequently reduce annual interest and principal (minimum revenue provision - MRP) repayments by £2.04m per year. In addition, whilst ever inflation is above 2%, service expenditure inflation outpaces the council's ability to increase income, resulting in a need for a £500k per year reduction in cost of services to achieve a recurrent £2m per year reduction by the end of the MTFS period.

A significant amount of progress has been made in identifying savings for 2025-26 onwards. Whilst these are incorporated into the 2025-26 budget estimates, several of the key risks in the February 2024 MTFS have materialised resulting in a 2025-26 estimated deficit of £5.2m (£4.1m projection in February 2024).

The 2025-26 budget and MTFS has been projected in the context of the current Local Government Reorganisation on the basis that the council will continue in existence and is able to balance its budget and MTFS without external financial assistance. There is a high degree of uncertainty in several of the assumptions in the 2025-26 MTFS, and it is therefore crucial that the council achieves a minimum £1.8m net budget reduction (i.e. the 2025-26 required savings) and strives to make significant inroads into the additional £1m increase the following year. The 2025-26 MTFS projects an additional £2.9m drawdown of reserves compared to 22nd February 2024 to a level of £3.6m and therefore has no flexibility for any unplanned draw on reserves in addition to the identified risks around the budget assumptions if the council is to be able to set a balanced budget each year of the MTFS.

A Financial Recovery Plan was approved at 15th October Cabinet establishing three separate workstreams; (1) Revenue Savings, (2) Capital Receipts, and (3) Financial Service capacity and capability. The revenue savings workstream has identified over 30 lines of enquiry and associated actions and progress to date is reflected in the budget, including progress on capital receipts. The lines of enquiry have been an effective lens to enable a systematic and objective review of the councils' services from several angles and as expected have led onto new lines of enquiry that will continue to be pursued.

There are two significant levers within the council's control to resolve the deficit. The most controllable lever is the council's cost base, the second lever is the reduction of interest and MRP through reduction in borrowing. Therefore, the course of action the council will be taking in 2025-26 as a result is to:

- a. Continue working through the lines of enquiry
- b. Complete a detailed commercial property review and review of portfolio management to drive up income and reduce costs from the portfolio (aim for net £750K improvement) by 2027-28 at the latest.
- c. Bring forward the Civic Quarter capital receipt to gain the benefit earlier than 2028/29 (assuming £12m disposal value benefit is Circa £1.1m per year)
- d. Identify further asset sales with zero underlying debt to benefit from 1/10th MRP reduction and interest saved on borrowing, outweighing lost income.

Achieving the full £1.8m required cost of services reduction in 2025-26 is a significant challenge. In recognition of this challenge an immediate project is underway to identify a schedule of actions to deliver a budget reduction this year. Services managers have been asked to review specific services, activity and costs which:

- Could stop – i.e. not already contracted or contract not renewed in year
- Expenditure to temporarily stop for current or next year
- Could be carried out in a different way/scaled back to take account of devolution and/or local government reorganisation at reduced cost
- Service development projects/IT upgrades that can be on hold until local government reorganisation is progressed

#### 4.4 External Audit

On 5 September 2024 the government published draft the Accounts and Audit (Amendment) Regulations 2024. These Regulations, which were approved on 30 September 2024, set a publication date for financial statements up to and including 2022/23 of 13 December 2024. Where audit work is not concluded, this will result in either a qualification or disclaimer of opinion.

The external auditors issued a disclaimer audit opinion for 2020/21, 2021/22 and 2022/23.

Communication has improved with the external auditors, including regular meetings, to ensure that any issues or queries are dealt with promptly and sufficient resources are assigned to deal with requests.

#### 4.5 Resolution of governance issues identified in 23/24

The new Freedom of Information (FOI) system came into force in July 2024 to improve the tracking and ensure that responses to requests are carried out in a timely manner. The FOI response rate (statutory turnaround times) has improved from 73 % in Q1 of 2023/2024 to 95% in Q4 of 2024/2025. The percentages vary slightly from quarter to quarter.

The self-assessment against the seven characteristics of good governance has been carried out by the Corporate Governance Group and has been included as part of the annual work plan to review governance and any improvement points highlighted through the group's discussion are recorded as an action point for the group to progress.

Governance actions from the peer and CIPFA review have been included within the Financial Resilience Plan and as part of quarterly monitoring. Whilst the actions are still being implemented these have been embedded within sufficient monitoring mechanisms that progress on the implementation of these will continue to be reported to Cabinet.



## **5. Effectiveness of the governance framework**

The Council reviews the effectiveness of its governance arrangements annually. The key sources of assurance that informs this review are:

- The work of the Corporate Governance, Audit and Standards Committee (CGAS), Members and Senior Officers of the Council who have responsibility for good governance.
- A statement of assurance is obtained from Heads of Service to confirm the governance arrangements in place within their service and any actions to be included within the AGS.
- Risk management reports and the corporate risk register is maintained and scrutinised by Corporate Management Team (CMT) quarterly and subsequently communicated to CGAS, the Corporate Governance Group and Cabinet.
- The Audit Manager's update reports on the internal audit activity, which provides an independent assurance that Governance, Risk management and internal Control is in place and provides an opinion on the effectiveness of these arrangements.
- Half yearly updates to the CGAS Committee monitoring the work carried out towards the governance actions identified in the previous year's AGS.
- Any comments made by External Audit or other external reviews.
- The Corporate Governance Group provides assurance over the governance arrangements within the Council by completing a self-assessment annually against the seven characteristics of good governance and takes forward actions to improve governance.

## **6. Risk management**

- 6.1 Significant risks must be formally identified, assessed and appropriately managed in order to mitigate their likelihood and/or their adverse impacts, such as on the continued operation of the Council, compliance with legal obligations or achieving strategic objectives.
- 6.2 Ultimately the responsibility to ensure that the Council's risk management process is effective lies with the Executive Leadership Team (ELT), the Managing Director and elected members. The overall responsibility to manage this process is delegated to the Executive Director, with day-to-day management provided by the Service Manager for Risk, Performance and Procurement.
- 6.3 The risk management policy and arrangements have been reviewed in year with the following changes being agreed by Cabinet on 14<sup>th</sup> January 2025:
- The process for developing a strategic level risk appetite
  - Further development of the processes used to identify opportunities as well as threats when identifying risks

- Amendments to give further clarity on what must be discussed, agreed and recorded when the risk register is reviewed
- Alignment with the Council's agreed priorities
- Further clarity on the arrangements for reporting when risks become issues.

Work will take place during 25/26 to embed the operational changes and develop a Strategic risk appetite/policy.

## **7. Managing the risk of fraud and corruption**

- 7.1 The Council is committed to the highest possible standards of honesty, openness and accountability. It will ensure that internal procedures are in place to identify, deter and prevent the risk of fraud and corruption and maintain clear and well publicised arrangements for receiving and investigating issues raised through its governance policies.
- 7.2 The Council will pursue appropriate action, including the recovery of any losses it has suffered, where fraud and corruption has been identified.
- 7.3 To mitigate the risk of fraud the Council has in place fraud and governance policies to which staff should adhere. These include the Anti-fraud, Bribery and Corruption policy, Whistleblowing policy, Anti-Money Laundering policy and Gifts and Hospitality policy. Any issues raised relating to these policies are dealt with by the appropriate responsible officer in accordance with the requirements of each policy.

## **8. Internal audit assurance**

**AUDIT OPINION ONCE FINALISED**

## **9. External audit assurance**

- 9.1 The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').
- 9.2 The audit of the financial statements for the year ended 31 March 2021, 31 March 2022 and 31 March 2023 for Rushmoor Borough Council were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 26 November 2024, 13 December 2024 and 13 December 2024 respectively. The audit of the 2023-24 financial statements was signed off on 28<sup>th</sup> February 2025 in compliance with legislation.

- 9.3 External audit also provides assurance on the council's arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The audit opinion is that the Council did not have adequate arrangements to reduce its recurrent level of revenue spending so that it can be contained within available resources without the need to call on reserves or reduce the level of planned service provision. In particular, the Council did not have arrangements to reduce its very high level of short-term borrowing to mitigate the impact of this on its revenue budget over the medium term and reduce the level of interest rate risk it is currently exposed to.

## 10. Actions to implement in 25/26

The review of the effectiveness of the Council's governance framework has identified that the actions carried forward from 2023/24 as detailed below are significant areas for the Council to implement, mainly the financial resilience plan, and therefore remain the key area of focus and remain a key governance area to improve. Therefore, no further governance actions have been put forward. The progress against these actions will be reviewed by the Corporate Governance Group and regularly reported to the Corporate Governance, Audit and Standards Committee.

The below are previous actions highlighted for improvement within the 24/25 AGS and will continue to be implemented and monitored during 25/26.

Action from 23/24 AGS	Original target date	Last update from May 2024	Revised target date	Update November 2024	Revised target date	Direction of travel
<p>Following the changes in political control in May there are likely to be shifts in priorities which may require existing governance arrangements to be reviewed. This will be taken forward by the ELT supported by the governance group.</p> <p>Existing arrangements will have new appointments and training and briefing will be required for new appointees to be able to undertake governance roles effectively</p>	<p>September 2024</p> <p>As soon as practicable in new Civic year</p>	N/A – New action	N/A	As a result of the Corporate Peer Challenge and the CIPFA report the Council has commissioned a review of some elements of its committee and governance arrangements. This report will be considered once completed. The report will be considered in January 2025 with any changes agreed being brought in from May 2025.	<p>Report – January 2025</p> <p>Changes (if required) May 2025</p>	<p>Progressing</p> <p>↑</p>
The governance actions which transpire from the CIPFA review will be actioned accordingly.	TBC when actions from the report agreed	N/A – New action	N/A	A Financial Resilience Plan has been agreed which incorporate actions from the CIPFA review and the peer challenge. Work towards the plan is regularly reviewed by ELT.	Ongoing	<p>Progressing</p> <p>↑</p>

Action from 23/24 AGS	Original target date	Last update from May 2024	Revised target date	Update November 2024	Revised target date	Direction of travel
<p>A self-assessment against the CIPFA Financial Management Code will be carried out.</p> <p>The actions resulting from the self-assessment will be carried out to ensure compliance with the code.</p>	<p>September 2024</p> <p>September 2025</p>	N/A – New action	N/A	The self-assessment against the CIPFA Financial Management Code has been carried out and further action is required to fully implement the requirements so that the Council is fully compliant with the code.	September 2025	<p>Progressing</p> <p>↑</p>
A self-assessment against the seven characteristics of good governance has been carried out by the Corporate Governance Group. Actions arising from this review will be taken forward to improve any governance gaps.	TBC when actions agreed	N/A – New action	N/A	The self-assessment is being scheduled to be reviewed annually. Currently the 2 <sup>nd</sup> review against these characteristics is being carried out.	Business As Usual	Completed

## 11. Certification

- 11.1 To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas highlighted on page 17 above. We propose over the coming year to take steps to address the above matters identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Signed:

\_\_\_\_\_  
**Gareth Williams**  
**Leader of the Council**

\_\_\_\_\_  
**Ian Harrison**  
**Interim Managing Director**

Date: **XXX** 2025

**XXX** 2025

# Local Code of Corporate Governance

## Introduction

Rushmoor Borough Council recognises the importance of effective corporate governance so that local communities can place trust in the way that the Council undertakes and carries out its duties. This document sets out the Council's commitment to corporate governance and identifies the arrangements to ensure its effective implementation and application in all aspects of the Council's work.

## What is Corporate Governance?

Rushmoor Borough Council has accepted the definition of Governance as stated within the CIPFA/ SOLACE Framework,

*'Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.'*

*To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entities objectives while acting in the public interest at all times.*

*Acting in the public interest implies primary consideration of the benefits for society which should result in positive outcomes for service users and other stakeholders'.*

## Core Principles

Rushmoor Borough Council is committed to applying the seven core principles of good governance set out in the CIPFA/ SOLACE framework, which are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.



This code identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. The details are set out in Appendix A and the relevant evidence is detailed within Appendix B.

## Appendix A

### Principle A

#### Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principles	Council actions and behaviours
Behaving with integrity	<ul style="list-style-type: none"><li>• Ensure that Members and Officer behave with integrity and lead a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the Council.</li><li>• Ensure that Members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. They will build on the Seven Principles of Public Life (The Nolan Principles)</li><li>• Lead by example and use these standard operating principles or values as a framework for decision making and other actions</li><li>• Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which will be reviewed on a regular basis to ensure they are operating effectively.</li></ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"><li>• Seek to establish, monitor and maintain the Council's ethical standards and performance</li><li>• Underpin personal behaviour with ethical values and ensure they permeate all aspects of the Council's culture and operation</li><li>• Develop and maintain robust policies and procedures which place emphasis on agreed ethical values</li><li>• Ensure that external providers of services on behalf of the Council are required to act with integrity and in compliance with ethical standards expected by the Council.</li></ul>
Respecting the rule of law	<ul style="list-style-type: none"><li>• Ensure Members and Officers demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li><li>• Create the conditions to ensure that the statutory officers, other key post holders, and Members are able to fulfil their responsibilities in accordance with legislative and regulatory provisions</li><li>• Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li><li>• Deal with breaches of legal and regulatory provisions effectively</li><li>• Ensure corruption and misuse of power is dealt with effectively.</li></ul>

## Principle B

### Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub Principles	Council actions and behaviours
Openness	<ul style="list-style-type: none"> <li>• Ensure an open culture through demonstrating, documenting and communicating the Council's commitment to openness</li> <li>• Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption will be for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential will be provided.</li> <li>• Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and will be explicit about the criteria, rationale and considerations used. In due course, the Council will ensure that the impact and consequence of those decisions are clear</li> <li>• Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.</li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• Effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>• Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>• Ensure that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.</li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>• Ensure that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement</li> <li>• Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>• Implement effective feedback mechanisms in order to demonstrate how their views have been taken into account</li> <li>• Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>• Take account of the interests of future generations of tax payers and service users.</li> </ul>

## Principle C

### Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for finite resources available.

Sub Principles	Council actions and behaviours
Defining outcomes	<ul style="list-style-type: none"> <li>• Have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions</li> <li>• Specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>• Deliver defined outcomes on a sustainable basis within the resources that will be available</li> <li>• Identify and manage risks to the achievement of outcomes</li> <li>• Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available.</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• Consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</li> <li>• Take a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>• Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>• Ensure fair access to services.</li> </ul>

## Principle D

### Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Sub Principles	Council actions and behaviours
Determining interventions	<ul style="list-style-type: none"> <li>• Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided</li> <li>• Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land, and assets and bearing in mind future impacts.</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>• Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>• Consider and monitor risks facing each partner when working collaboratively including shared risks</li> <li>• Ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</li> <li>• Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>• Ensure capacity exists to generate the information required to review service quality regularly</li> <li>• Prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan</li> <li>• Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</li> </ul>
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Ensure the medium term financial plan integrates and balances service priorities, affordability and other resource constraints</li> <li>• Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>• Ensure the medium term financial plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> <li>• Ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community....over and above the direct purchasing of goods, services and outcomes".</li> </ul>

## Principle E

### Developing the Council's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principles	Council actions and behaviours
Developing the Council's capacity	<ul style="list-style-type: none"> <li>• Review operations, performance use of assets on a regular basis to ensure their continuing effectiveness</li> <li>• Improve resources use through appropriate application of techniques such as benchmarking and other options to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently</li> <li>• Recognise the benefits of partnership and collaborative working where added value can be achieved</li> <li>• Develop and maintain an effective workforce plan to enhance the strategic allocation of resources</li> </ul>
Developing the capability of the Council's leadership and other individuals	<ul style="list-style-type: none"> <li>• Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>• Publish a statement that specifies the type of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>• Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority</li> <li>• Develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by: <ul style="list-style-type: none"> <li>- ensuring Members and Officers have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</li> <li>- ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</li> <li>- ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul> </li> <li>• Ensure that there are structures in place to encourage public participation</li> <li>• Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections</li> <li>• Hold staff to account through regular performance reviews which take account of training or development needs</li> <li>• Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</li> </ul>

## Principle F

### Managing risks and performance through robust internal control and strong public financial management

Page 104 Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub Principles	Council actions and behaviours
Managing risk	<ul style="list-style-type: none"> <li>• Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>• Implement robust and integrated risk management arrangements and ensure that they are working effectively</li> <li>• Ensure that responsibilities for managing individual risks are clearly allocated.</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>• Monitor service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>• Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</li> <li>• Ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible</li> <li>• Provide Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>• Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>
Robust internal control	<ul style="list-style-type: none"> <li>• Align the risk management strategy and policies on internal control with achieving objectives</li> <li>• Evaluate and monitor the Council's risk management and internal control arrangements on a regular basis</li> <li>• Ensure effective counter fraud and anti-corruption arrangements are in place</li> <li>• Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Audit Manager</li> <li>• Ensure and Corporate Governance, Audit and Standards Committee, which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> <li>- Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>- That its recommendations are listened to and acted upon.</li> </ul> </li> </ul>
Managing data	<ul style="list-style-type: none"> <li>• Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>• Ensure effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>• Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>• Ensure financial management supports both long term achievement of outcomes and short term financial and operational performance</li> <li>• Ensure well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.</li> </ul>



## Principle G

### Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub Principles	Council actions and behaviours
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate</li> <li>• Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• Report at least annually on performance, value for money and the stewardship of the Council's resources.</li> <li>• Ensure Members and senior management own the results</li> <li>• Ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement – AGS)</li> <li>• Ensure that the Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>• Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</li> </ul>
Assurance and effective accountability	<ul style="list-style-type: none"> <li>• Ensure that recommendations for corrective action made by external audit are acted upon</li> <li>• Ensure an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>• Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations</li> <li>• Gain assurance on risks associated with delivering services through third parties and evidence this in the annual governance statement</li> <li>• Ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.</li> </ul>

## Appendix B

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practice in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	<a href="#">The Constitution</a> <a href="#">Whistleblowing policy</a> <a href="#">Anti-money laundering policy</a> <a href="#">Anti-fraud, bribery and corruption policy</a> – (Part 5 of the Constitution section 10) <a href="#">Member Code of Conduct</a> – (Part 5 of the Constitution section 1) <a href="#">Officer Code of Conduct</a> – (Part 5 of the Constitution section 8) <a href="#">Gifts and Hospitality policy</a> Statutory Officer Roles – Head of Paid services (Chief Executive), Chief Financial Officer (S151), Monitoring Officer and Data Protection Officer. <a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10) <a href="#">Financial Regulations</a> – (Part 4 of the Constitution section 9) <a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 & 4) <a href="#">Member interests register (shown against each Councillor)</a> Council corporate values Corporate Governance group	<a href="#">Council website</a> <a href="#">Council Plan and monitoring</a> <a href="#">Freedom of Information</a> <a href="#">Public consultations</a> <a href="#">Committee meetings – Agenda &amp; Minutes</a> <a href="#">Records of Executive Decisions</a> <a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 & 4) <a href="#">Annual statement of Accounts and Annual Governance Statement</a> <a href="#">Open data/ Transparency Code</a> <a href="#">Local Plan</a> Arena Magazine Strategic Economic framework	<a href="#">Council Plan and monitoring</a> <a href="#">Committee meetings – Agenda &amp; minutes</a> Service business plans <a href="#">Financial/ capital programme reporting</a> <a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 & 4) <a href="#">Records of Executive Decisions</a> <a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10) <a href="#">Local Plan</a> People Strategy Corporate and Service Risk Registers <a href="#">Climate Change Action plan</a>	<a href="#">Council Plan and monitoring</a> <a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 & 4) <a href="#">Medium Term Financial Strategy</a> <a href="#">Committee meetings – Agenda &amp; Minutes</a> Service business plans PIAG <a href="#">Overview and Scrutiny Committee</a> Union Yard Project group Property, Major works and Regeneration Programme Board	<a href="#">The Constitution</a> <a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 & 4) Development reviews – highlighting any training needs for employees. Member development Member and employee induction programmes Council wide training e.g. Health and Safety, Data Protection Staff development including, Action Learning sets, Apprenticeships, and Leadership and management development <a href="#">Peer review – Corporate and Service reviews</a> HR policies and wellbeing promotion	<a href="#">The Constitution</a> <a href="#">Corporate Governance, Audit &amp; Standards Committee</a> <a href="#">Financial Regulations</a> – (Part 4 of the Constitution section 9) <a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10) Information Governance Group Corporate Governance Group <a href="#">Risk based audits</a> <a href="#">Annual Audit Opinion</a> <a href="#">External Audit of Accounts</a> <a href="#">Overview &amp; Scrutiny – Agenda &amp; Minutes</a> <a href="#">Annual Governance Statement</a> <a href="#">Budget monitoring reports</a> <a href="#">Anti-fraud, bribery and corruption policy</a> – (Part 5 of the Constitution section 10) <a href="#">Anti-money laundering policy</a> <a href="#">Whistleblowing policy</a> Corporate and Service Risk Registers PSN compliance and Cyber Security treatment plan	<a href="#">Council website</a> <a href="#">Council plan and monitoring</a> <a href="#">Annual Statement of Accounts and Annual Governance Statement</a> <a href="#">Open data/ Transparency Code</a> <a href="#">Freedom of Information</a> <a href="#">Annual Audit Opinion</a> <a href="#">Audit update reports</a> <a href="#">Corporate Governance, Audit &amp; Standards Committee</a> <a href="#">Peer review</a> <a href="#">External Audits</a>



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**CORPORATE GOVERNANCE  
AUDIT AND STANDARDS COMMITTEE**

**FINANCIAL GOVERNANCE  
MANAGER  
REPORT NO. AUD 25/04**

**22<sup>nd</sup> MAY 2025**

**INTERNAL AUDIT - ANNUAL AUDIT OPINION – 2024/25**

**SUMMARY:**

This report presents the Internal Audit Managers independent annual audit opinion for 2024/25 on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control environment.

**RECOMMENDATIONS:**

Members are requested to:

- I. Note the Audit Opinion given for governance, risk management and internal control for 2024/25;
- II. Note the self-assessment exercise against the PSIAS.

**1 Introduction**

- 1.1 In accordance with the Accounts and Audit (England) Regulations 2015, the Audit Manager is required to report, on an annual basis, on the overall adequacy and effectiveness of Rushmoor Borough Council's framework of governance, risk management and control (GRC).
- 1.2 The report in Appendix 1 sets out the internal audit work carried out within 2024/25 and the coverage of work carried out to enable the Audit Manager to form this opinion.
- 1.3 Furthermore, annually the Audit Manager is required to carry out a self-assessment on the internal audit activities conformance with the Public Sector Internal Audit Standards (PSIAS) and communicate this to the Corporate Governance, Audit and Standards (CGAS) Committee. The report details the outcome of the self-assessment carried out.
- 1.4 The internal audit plan for 2024/25 was approved by this Committee on the 20<sup>th</sup> March 2024 (AUD24/03).

**2 Audit Opinion**

- 2.1 The report within Appendix 1 sets out the work which was relied upon in order to assist with the assessment and the level of assurance obtained for the Council's Internal Control, governance and risk management

- 2.2 An assurance level has been provided to each of these areas in order to provide a clear assessment.
- 2.3 As of March 2025 the Internal Audit Manager changed roles within the Council and the Southern Internal Audit Partnership was engaged to fulfil the internal audit requirement for the Council. However, due to being in post for majority of the 24/25 financial year, the preceding Internal Audit Manager has provided the Internal Audit Opinion for 24/25.

### **3 Conclusion**

- 3.1 Sufficient assurance work has been completed within the year to enable an audit opinion to be provided on Rushmoor Borough Council's Governance, Risk Management, and Control framework.
- 3.2 Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.
- 3.3 A self-assessment against the PSIAS showed that Internal Audit are compliant with the standards.

**AUTHOR:** Nikki Fleming, Financial Governance Manager  
01252 398810  
[nikki.fleming@rushmoor.gov.uk](mailto:nikki.fleming@rushmoor.gov.uk)

**HEAD OF SERVICE:** Peter Vickers, Executive Head of Finance & S151  
01252 398440  
[peter.vickers@rushmoor.gov.uk](mailto:peter.vickers@rushmoor.gov.uk)

## AUDIT OPINION

**2024/25**

### 1. Role of Internal Audit

- 1.1 The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 which states that a relevant body must:

*‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’*

- 1.2 The standards for ‘proper practices’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards 2016 *[the Standards]*. The role of Internal Audit is best summarised through its definition within PSIAS, as an:

*‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.*

- 1.3 Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council’s response to the Internal Audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

### 2. Purpose of the Audit Opinion

- 2.1 The purpose of an internal audit opinion is to provide assurance that internal controls in place are adequate to mitigate risks, governance and risk management processes are effective and efficient to assist the Council in achieving its objectives.

### 3. Audit Coverage to support the Opinion

- 3.1 The following areas have assisted with the formulation of the audit opinion:
- The audit plan, which was developed to enable a spread of audits to across the Council to ensure an appropriate assessment of the internal control environment.
  - Key Financial audits carried out over the last 3 years and the movement of the assurance from previous reviews.
  - The Council’s achievement of Public Services Network (PSN) certification
  - Audit recommendations accepted and implemented by Management
  - External reviews carried out
  - Attendance at Corporate Governance Group and Information Governance Group
  - Risk Registers and the reporting of risks
  - Follow ups carried out where limited assurances have been given within the previous financial year.



#### 4. Audit Opinion

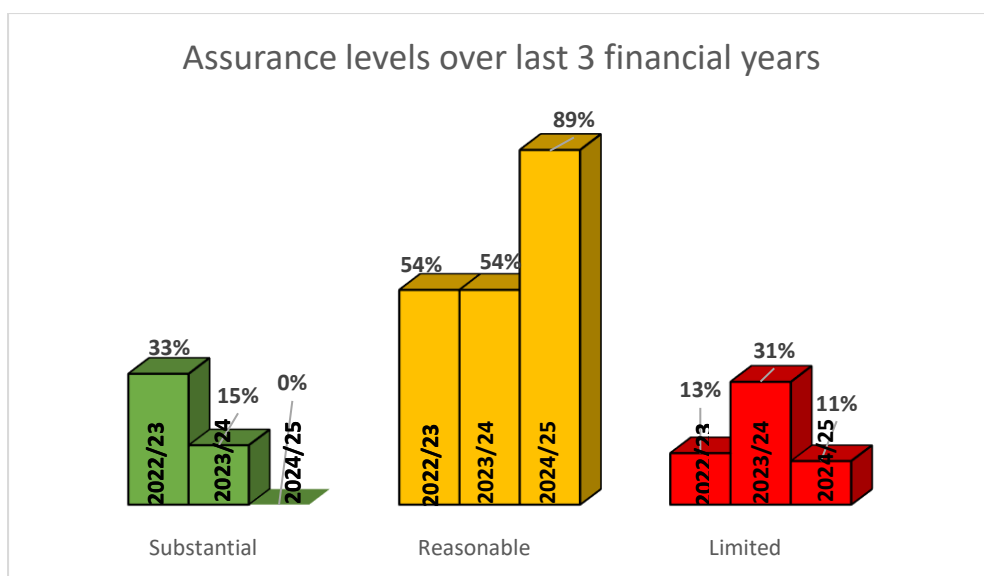
- 4.1 In accordance with the Accounts and Audit (England) Regulations 2015, the Audit Manager is required to report on an annual basis, the overall adequacy and effectiveness of Rushmoor Borough Council's framework of governance, risk management and control.
- 4.2 In prior years an overall audit opinion has been provided across all three areas of the framework. To provide further clarity and in line with recommendations made by CIPFA in their review of Internal Audit, separate opinions will be provided for the internal control environment, risk management and governance arrangements.
- 4.3 Assurance levels which could be given are set out below:

Assurance Level	Definition
Full	A comprehensive system of internal controls is in place designed to achieve the system/function/process objectives. These controls are operating effectively and are being consistently applied.
Substantial	Key controls designed to achieve the system/function/process objectives, are in place. There are opportunities to enhance/strengthen these controls.
Reasonable	Basic controls designed to achieve the system/function/process objectives, are in place. Improvements are required if key controls are to be established.
Limited	Minimal controls designed to achieve the system/function/process objectives, are in place. Significant improvements are required if key controls are to be established.
No assurance	No controls that achieve the system/function/process objectives, are in place.

- 4.4 In giving these opinions, assurance can never be absolute, as internal audit cannot review every decision and transaction of the Council. Therefore, only a reasonable assurance can be provided that there are no major weaknesses in the Council's processes reviewed and any reliance placed on other sources of assurance.
- 4.5 During the 2024/25 financial year the Audit Manager role transfer to the Southern Internal Audit Partnership from the start of March. Therefore, there is a caveat that this opinion is provided by the preceding Audit Manager up to the end of February 2025.

#### **Internal Control Environment**

- 4.6 The audit plan for 2024/25 provided coverage from across the Council and provided 9 assurance levels in which have been included within the formation of the opinion on the internal control environment within the Council. (Appendix A details the audits completed/ substantially completed, and the assurance level provided) The graph below shows the percentage trend over the last 3 financial years for the assurance levels provided.



- 4.7 The above graph shows that this financial year there has been a decrease in the substantial assurance levels whilst the reasonable level has substantially increased. There has also been a decrease in the limited assurance provided.
- 4.8 Internal audit reviews key financial systems on a 3-year rolling basis. The below table shows the level of assurance provided for each of these systems across the 3 years along with the direction of travel from the previous level of assurance provided.

Key financial system	Assurance level in the last 3 years	Direction of travel from previous assurance provided	Year of last audit
Purchase Ledger	Reasonable	↑	23/24
Payroll	Reasonable	↓	23/24
Council Tax	Reasonable	↓	22/23
Treasury Management	Substantial	↔	22/23
Cash receipting	Reasonable	↓	22/23
Benefits	Substantial	↔	21/22
Financial Management System (FMS) & Bank Reconciliation	Reasonable	↓	24/25
National Non Domestic Rates	Reasonable	↔	24/25
Sales Ledger	Reasonable*	↓	24/25* (Testing currently underway)

- 4.9 The 3 key financial systems which were within the audit plan for 24/25 were, Financial Management System (FMS) & Bank reconciliation, National Non-Domestic

Rates (NNDR) and Sales Ledger. \*Due to resource constraints in the service the Sales Ledger audit was requested to be carried out later in the financial year. Whilst testing is under way this has not been substantially completed at the time of this report and therefore previous years assurance has been included within the table above but does not necessarily show the outcome. This will be communicated to the Committee upon completion and will be included within the audit opinion for 25/26.

- 4.10 The downward trend from previous assurances were predominately in previous years and until an updated audit is carried out it would be unclear if these areas have improved. Although, it should be noted that the recommendations made, for the above audits, have been implemented. It should be further highlighted that no limited assurances have been provided for the Council's key financial systems.
- 4.11 Specific follow up audits are carried out, the following financial year, where limited or no assurances have been given. As limited or no assurances are significant these areas should be given priority focus from senior management to close the gaps highlighted therefore assurances should improve.

Follow up audit	Follow up assurance level	Direction of travel
<b>2022/23</b>		
S106/ SANGS	Substantial	↑
Taxi Licensing – fee process	Substantial	↑
Application Patch Management	Reasonable	↑
Alderwood Leisure Centre*	Limited	↑
<b>2023/24</b>		
Estates Management & Commercial letting	Substantial	↑
Purchase Ledger	Reasonable	↑
Insurance	Limited	↔
Guest House	Limited	↔
<b>2024/25</b>		
Procurement Cards	Substantial	↑

\*Alderwood Leisure was in the process of being transferred back to the school and previously had been given No assurance.

- 4.12 The review of follow ups carried out this financial year shows an increase in the improvement of areas which have previously been given a limited assurance. A follow up audit has not been carried out for insurance as a partnership has now been entered into with the London Borough of Sutton. The process of which was discussed at with CGAS Committee and addressed the weaknesses previously identified by the audit.
- 4.13 Recommendations are made for each audit carried out to improve the area under review. The recommendations are categorised as high, medium or low. Periodical reviews are carried out to determine the status of the recommendations and these are separately reported to CGAS Committee and Senior Management.

- 4.14 The Council has achieved Public Services Network certification. This reviews the Council's security network and provides recommendations for improvement. Assurance is taken from this assessment that the IT network controls in place are sufficient.
- 4.15 In summary, based on the information set out above it would demonstrate that the Council's internal control environment is reasonable. The level of substantial assurances has decreased however the level of reasonable has increased significantly, along with the limited assurances decreasing. No limited assurances have been given for the key financial systems across the 3-year cycle.
- 4.16 It is in the Audit Managers opinion that the internal control environment for Rushmoor Borough Council is **Reasonable**.

### **Governance**

- 4.17 The Council took a view on outstanding audit recommendations given the passage of time and the evolution of processes over the years. As a result, a reduced number of recommendations were present to CGAS Committee as still outstanding. These will continue to be followed up for implementation.
- 4.18 Various lines of defence are in place to ensure that questions and oversight is carried out on various decisions made within the Council. The lines of defence are key to governance arrangements to ensure that processes are being followed and allow for informed decisions to be made.
- 4.19 A CIPFA and a peer challenge review was carried out in June 2024. As a result, action plans have been put in place to implement the recommendations made. The action towards implementation of these is monitored and reported on as part of the performance management process and specific officer groups have been set up to action the work required.
- 4.20 A Financial Resilience Plan (FRP) has been put in place to address some of the issues identified from the reviews. Regular updates are provided to senior management for review and scrutiny of progress towards the implementation of the action plan.
- 4.21 A draft self-assessment against the CIPFA Financial Management (FM) code had been carried out however, further work is required with regards to the action plan to ensure that the Council is compliant with the CIPFA FM code. Elements of this is also included within the Financial Resilience Plan (FRP) as well as an action point to implement from the Annual Governance Statement.
- 4.22 A self-assessment against the characteristics of good governance, whilst not compulsory, continues to be carried out annually by the Corporate Governance Group (CGG) with action points which are taken on by members of the group in order to improve governance.

- 4.23 The Council is committed to the highest possible standards of openness, probity and accountability. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image. Counter-fraud arrangements assist in the protection of public funds and accountability.
- 4.24 Policies and strategies are in place setting out the Council's approach and commitment to the prevention and detection of fraud or corruption, including an Anti-fraud, bribery and corruption policy and a Money-laundering policy.
- 4.25 The Council continues to conform to the requirements of the National Fraud Initiative (NFI). An annual Single Persons Discount (SPD) NFI exercise is carried out to match data from the Council tax system and the Electoral register. The Council submitted the required data sets for this in December 2024, with feedback on potential matches being received instantly. In addition to this the Council participated in the biennial NFI data match. Results from this will be worked through in 2025/26. Details are set out in Appendix B.
- 4.26 A self-assessment against the Public Sector Internal Auditing Standards (PSIAS) has been carried out. The Internal Audit section is fully compliant with the standards. The Southern Internal Audit Partnership (SIAP), who have been carrying out the audits for 24/25 and will provide the internal audit provision going forward are also fully compliant with the PSIAS.
- 4.27 Governance is the leadership of decision-making, culture, controls and accountability throughout the organisation. It is in the Audit Managers opinion that governance for Rushmoor Borough Council is **Reasonable**. Governance issues are addressed through the Governance group, and it has been acknowledged that work is to be done to improve the governance arrangements within the Council following the CIPFA and Peer challenge reviews.

### **Risk Management**

- 4.28 The Council has in place Service Risk Registers and a Corporate Risk Register. Quarterly the overall changes are reported to the Corporate Management Team (CMT) for review and scrutiny. Following this the report is presented to Cabinet. CMT and Cabinet act as layers of defence to ensure that risks have been identified and where necessary actions taken to appropriately mitigate the risk.
- 4.29 There is insufficient evidence of detailed scrutiny over the risks, follow up actions, and mitigations suggested to minimise the risk from materialising.
- 4.30 A risk appetite statement has not been defined and agreed with Members. However, work is progressing in this area with a workshop being held and facilitated by an external consultant in order to define risk appetite for the Council.
- 4.31 It is in the Audit Managers opinion that risk management for Rushmoor Borough Council is **Reasonable**. Whilst a reasonable assurance has been provided the process continues to require improvement to ensure that it is an effective management tool rather than just process driven.

## Appendix A

Assurance reviews				
	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
ELT/Corporate wide			<ul style="list-style-type: none"> <li>Capital Programme</li> </ul>	
Finance		<ul style="list-style-type: none"> <li>Effectiveness of Financial Rules</li> </ul>	<ul style="list-style-type: none"> <li>NNDR</li> <li>FMS &amp; Bank Reconciliation</li> </ul>	
IT, Facilities & Customer Services				
HR&OD				
ACE			<ul style="list-style-type: none"> <li>Local Authority Housing Fund</li> </ul>	
Democracy			<ul style="list-style-type: none"> <li>Elections</li> </ul>	
Operations			<ul style="list-style-type: none"> <li>Princes Hall</li> </ul>	
Legal				
Regeneration				
Property & Growth			<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Building Control</li> </ul>	
	Advisory Work	Counter-Fraud		
ELT/Corporate wide		NFI		
Finance				
IT, Facilities & Customer Services				
HR&OD				
ACE				
Democracy				
Operations				
Legal				
Regeneration				
Property & Growth				

**Appendix B****Anti-fraud and corruption****NFI**

The Council participates in the National Fraud Initiative (NFI). The annual Single Persons Discount (SPD) match provided 810 potential irregularities. These are currently being worked through by the Council Tax team. As of 13<sup>th</sup> May 2025, 3 cases have been identified as potential frauds with a total recovery value of £1.4k. A mailshot is due to be issued, and work will continue over the coming months to complete this review.

In 2023/24, 429 potential irregularities were provided by the NFI match, resulting in 48 potential frauds with a total recovery value of circ. £21k.



## Appendix C

## PSIAS – Self-assessment

The PSIAS and the Local Government Application Note (LGAN), together came into effect from April 2013 and supersedes the 2006 CIPFA Code of Practice for Internal Audit in Local Government.

A self-assessment against the standards for 2024/25 has been carried out by the Audit Manager. There are 11 overall standards, which are broken-down into 336 fundamental principles, against which to measure compliance. A summary of the findings is shown in the table below.

Aspect of Standards	No. of requirements in the standards	Standards not applicable at RBC	No. of applicable standards assessed	Compliance assessment		
				Yes	Partial	No
Definition of internal auditing	3		3	3		
Code of ethics	13		13	13		
<i>Attribute Standards</i>						
Purpose, authority & responsibility	23		23	23		
Independence & objectivity	30	7	23	23		
Proficiency & due professional care	21		21	21		
Quality assurance & improvement programme	27	3	24	24		
<i>Performance Standards</i>						
Managing the internal audit activity	47	1	46	46		
Nature of work	31		31	31		
Engagement planning	58	12	46	46		
Performing the engagement	22		22	22		
Communicating results	55	6	49	49		
Monitoring progress	4	1	3	3		
Communicating the acceptance of risk	2	2	0			
<b>Totals</b>	<b>336</b>	<b>32</b>	<b>304</b>	<b>304</b>		
				<b>100%</b>	<b>0%</b>	<b>0%</b>

An external assessment was carried out in 2023/24 and concluded,

*‘The internal assessment has been reviewed by the Chief Internal Auditor at Basingstoke and Deane Borough Council who concluded the Internal Audit Service provided at Rushmoor Borough Council conforms with the PSIAS requirements.’*

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**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE**

**MONITORING OFFICER**

**REPORT NO. LEG25/01**

**22 May 2025**

**KEY DECISION? ~~YES~~/NO**

**GRANTING A DISPENSATION FROM PROVISIONS  
OF THE MEMBER CODE OF CONDUCT**

**SUMMARY AND RECOMMENDATION:**

**SUMMARY:**

The Committee has the power to grant dispensations to Members from requirements relating to declarations of interest, and the consequences of those declarations are set out in the Member Code of Conduct.

This Report seeks a dispensation from such requirements for Councillor Alex Crawford, who is both a Member of Hampshire County Council and a Member of Rushmoor Borough Council, to enable him to vote on Local Government Reorganisation (LGR) and Devolution matters.

**RECOMMENDATION:**

That the Committee grant a dispensation for Councillor Alex Crawford to enable him to take part in decision-making on any matter relating to Local Government Reorganisation or Devolution.

**1. INTRODUCTION**

1.1 The Council has a Members' Code of Conduct that sets out the standards of behaviour expected of Members in undertaking their role and that includes a requirement for declarations of interests in relation to decision-making. Councillors are required to make a declaration of interest in certain circumstances as set out in the Members' Code of Conduct, within the Constitution.

1.2 The Committee's role includes the grant of dispensations to Members for the requirements relating to interests set out in the Code.

**2. DECLARABLE INTERESTS UNDER THE CODE OF CONDUCT**

2.1 Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority. The Code of Conduct in Appendix B sets out the requirement

to declare both “Disclosable Pecuniary Interests” (as described in Table 1 of the Code of Conduct) and “Other Registrable Interests” (as described in Table 2 of the Code of Conduct).

2.2 Table 1 of the Code explains that a Disclosable Pecuniary Interest includes any “employment, office, trade, profession or vocation carried on for profit or gain.”

### **3. NON-PARTICIPATION IN CASE OF DISCLOSABLE PECUNIARY INTEREST**

3.1 Where a matter arises at a meeting which directly relates to a Member’s Disclosable Pecuniary Interest, the Member must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless the Member has been granted a dispensation.

3.2 Under the Code of Conduct, dispensation may be granted in limited circumstances, to enable a Member to participate and vote on a matter in which they have a disclosable pecuniary interest.

### **4. DUAL RESPONSIBILITY AND MEMBER ALLOWANCES**

4.1 Councillor Crawford is both a Hampshire County Council Member and a Rushmoor Borough Council Member.

4.2 Councillor Crawford receives a Member allowance from Hampshire County Council and Rushmoor Borough Council. Whilst it can be argued that receiving an allowance is not technically for profit or gain; to err on the side of caution, it is recommended to grant a dispensation to Councillor Crawford to allow him to participate in meetings.

4.3 Councillor Crawford will need to determine prior to any vote or decision on LGR and Devolution whether there is a potential conflict of interest depending on the facts and circumstances, and potentially seek further advice from the Monitoring Officer.

### **5 RECOMMENDATION:**

5.1 That the Committee grant a dispensation for Councillor Alex Crawford to enable him to take part in decision-making on any matter relating to Local Government Reorganisation or Devolution.

#### **CONTACT DETAILS:**

Report Author

Sophie Thorp – Monitoring Officer and Corporate Manager, Legal Services

[sophie.thorp@rushmoor.gov.uk](mailto:sophie.thorp@rushmoor.gov.uk)

**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE**

**CORPORATE MANAGER -  
DEMOCRACY**

**22ND MAY, 2025**

**REPORT NO. DEM2505**

**CONSTITUTION AND COMMITTEE REVIEW UPDATE**

**1. INTRODUCTION**

- 1.1 The Council's Constitution is intended to facilitate council business. It sets out how the Council operates, how decisions are made, and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Council has a responsibility to monitor its Constitution, and to ensure that it is kept up to date.

**2. SUMMARY OF THE PROPOSALS**

- 2.1 This Report sets out recommendations for changes to be made to the Council's Constitution:
- (1) a proposed update to Standing Orders to enable public questions at full Council Meetings (as set out in Para 3); and
  - (2) a proposal to specify certain mandatory training topics for all Elected Members in the Code of Conduct for Councillors (as set out in Para 4)
- 2.2 The Report also summarises the Committee Review findings arising from a review led by the Centre for Governance & Scrutiny on behalf of the Council during Winter 2024/25, and the recommendations of the Constitution Working Group for actions to take forward. The headline proposals for the structural changes to decision-making arrangements arising from the Committee Review are as follows:
- A proposal for a single cross party 'work programme management group' with membership drawn from across the Council to align the work programmes of the non-executive committees (Policy & Project Advisory Board (PPAB), Overview and Scrutiny Committee (OSC) and the Committee with responsibility for audit and governance). The individual Progress Groups will no longer meet.
  - The PPAB work programme, with co-ordination and oversight from the proposed new work programme management group, to be more closely

aligned to deliver Council Plan Priorities and with Cabinet Member engagement.

- A proposal to split the current Corporate Governance Audit and Standards Committee (CGAS) into two committees – creating an ‘Audit and Governance Committee’, and ‘Licensing & Council Business Committee’, with training plans to support Members on each.

### 3. **PUBLIC QUESTIONS AT FULL COUNCIL**

3.1 At its meeting on 1st April, the Constitution Working Group considered the detailed procedures for a new pilot scheme for ‘Questions by the Public’ at Council Meetings. This requires an update to the Council’s Standing Orders for the Regulation of Business:

3.2 The Working Group proposed that the new Standing Order is as follows:

#### **“Questions on Notice by the Public**

A Member of the public may ask a question in writing of the Leader of the Council, a Member of the Cabinet, or the Chair of any Committee on any matter in relation to which the Council has powers or duties, or which affects the Borough.

A member of the public is limited to submitting one such question at any meeting of the Council. No more than one question can be asked on behalf of any organisation or body at any Council meeting.

The question must be sent, in writing, to the Corporate Manager – Democracy, via email to [committeeservices@rushmoor.gov.uk](mailto:committeeservices@rushmoor.gov.uk), to be received no later than 5pm on the fourth working day prior to the day of the meeting. (For the avoidance of doubt, if a meeting were to be held on a Thursday evening, the deadline would be 5pm on the Friday of the preceding week). No questions from the public will be allowed where the requisite notice has not been given or at the Annual Council Meeting.

Questions submitted shall be dealt with in accordance with the procedure note contained in Appendix 4 to these Standing Orders.”

3.3 A copy of the proposed procedure note to accompany this provision is attached to this report as **Appendix 1**.

3.4 The [Public Speaking Procedure Rules](#) are already in place to enable public engagement at other public open committee and cabinet meetings and is published as part of the Constitution on the Council’s website.

#### 4. **MANDATORY TRAINING IN CODE OF CONDUCT FOR COUNCILLORS**

- 4.1 The Constitution Working Group has also proposed that certain core training topics for Members, which are considered mandatory, should be incorporated and named within the [Councillor's Code of Conduct](#). This is with a view to strengthening the obligation for councillors to attend mandatory training on becoming an elected Member with an expectation for regular refresher training during a councillor's service on the Council.
- 4.2 It is therefore recommended that Section 2 of the Code which sets out the minimum standards of conduct required of councillors, identifies the following topics as mandatory training during a councillor's term of office. Delivery of training to be offered with flexible options/means to access training, for accessibility purposes.
- 4.3 Mandatory Training:
- Code of Conduct for Councillors including declaring interests
  - Information Governance (GDPR requirements for managing personal data for casework)
  - Information and Cyber Security for all councillors with a Rushmoor O365 account/using Rushmoor IT Kit
  - Safeguarding
  - Equalities

For Councillors who sit on Development Management Committee (DMC) – there is a requirement to attend an induction and training on the [Planning Code of Good Practice](#) before attending any DMC meeting as a voting member.

For Councillors who participate on Licensing Hearings, it is mandatory that licensing training has been attended.

- 4.4 The Council's Member Development Group leads on the implementation of the broader training offer and arrangements for Member Development generally through the year.

#### **Additional Comments by the Constitution Working Group**

- 4.5 The general point was also made that documents throughout the Constitution should be updated with gender neutral language.
- 4.6 It was suggested to consider reducing the threshold for petitions to be considered by OSC and Council to support the aims for greater public engagement at meetings.
- 4.7 A request to review the Scheme for Honorary Aldermen as a future item.



## 5. COMMITTEE REVIEW FINDINGS AND FOLLOW-UP

- 5.1 During Winter 2024/25, the Centre for Governance and Scrutiny (CfGS) was invited by Rushmoor Borough Council to undertake a review of three of its formal committees: Policy and Projects Advisory Board, Overview and Scrutiny Committee and Corporate Governance, Audit and Standards Committee, and a Members Workshop took place on 10th March 2025 to present the findings which was facilitated by Ed Hammond, Deputy Chief Executive, CfGS. A copy of the report has been circulated to Members under separate cover and is available from the Democracy Team.
- 5.2 At the workshop, it was noted that a new consideration since the initial commissioning of the review was Local Government Reorganisation (LGR). LGR adds an additional consideration to the way forward. It will be important to ensure that the Council's governance arrangements are in good shape to manage during the transition to new local government structures, to manage the transition for safe and compliant local services, and to manage endings.
- 5.3 Within the Review, the five key responsibilities for non-executive Members across PPAB, OSC and CGAS were given as (1) policy development, (2) keeping Members sighted and informed, (3) understanding and acting on risk, (4) reviewing performance, and (5) financial management and oversight. Actions arising from the Review are intended to help improve and enable non-executive Members to perform these functions.
- 5.4 A copy of the paper considered by the Constitution Working Group, with the matters which would require a change to decision-making structures/the Constitution is attached to the report at **Appendix 2**.
- 5.5 Following consideration of the committee structure elements of the review report, the key recommendations from the Working Group are:
- retain the Policy and Project Advisory Board and put in place provisions which would strengthen the terms of reference to align better with delivery of the Council Plan and Cabinet engagement. Potentially, a strengthened role for responding to consultations.
  - No reduction to scheduled OSC Meetings
  - split the current terms of reference for CGAS across two new Committees – (1) 'Audit and Governance Committee' (meeting six times a year) and a second committee covering the remaining Corporate Business and Licensing functions (meeting three times a year).
  - The creation of a new working group to replace existing 'Progress Groups' to align the work programmes of the non-exec bodies, OSC, PPAB and Corporate Governance and Audit, and to develop work programmes considering Cabinet business, the Financial Resilience working group, key financial and risk information and performance

data. Important for non-executive councillors to be able to get items onto agendas

- Co-ordinate a new Member Development Plan for Non-Executive Members framed around the five non-executive roles reflecting a new focus for engagement with Portfolio Holders. This to include training to support the Audit Committee.

## **Committee Review Proposed Next Steps and Timescales**

5.6 Subject to any additional comments on the above, the Committee is asked to consider the proposed next steps for taking forward the Committee Review findings as set out below:

- (1) Delegate responsibility to the Constitution Working Group (which includes the Chairman of CGAS and the Portfolio Holder) to (1) implement the operation of a new Programme Management Working Group including arrangements for its membership and the presentation of work programme information linked to the Council Delivery Plan and (2) consider the terms of reference for the committees created from the separation of CGAS, and (3) consider modifications needed to the terms of reference for PPAB to strengthen alignment with Cabinet and Delivery Plan objectives.
- (2) An all-Member Briefing and update on the proposed changes to be held in late June 2025.
- (3) Report to the next ordinary Council Meeting on 10th July 2025 with proposals for adjustments to terms of reference for the committees, including those created from the separation of CGAS functions.
- (4) Implementation of separate 'Audit and Governance' and 'Licensing & Council Business' Committees from September 2025.

## **6. CONCLUSIONS AND RECOMMENDATION**

6.1 Changes are proposed to the content of the Constitution to ensure that the provisions remain up-to-date, and the Council continues to work effectively to meet the needs of the wider Council Membership.

It is **Recommended to the Council** that:

the proposed updates to the Constitution in respect of public questions at the full Council Meeting as set out in Para 3 of the Report, and updates to the Councillors Code of Conduct, as set out in Para 4 of the Report be approved for adoption.

**The Committee is recommended to**

- (1) approve the delegation of work to the Constitution Working Group to progress the further detailed work to support the changes to the committee structure arising from the Committee Review as set out in Paras. 5.5 and 5.6 of the report, with a report to the next ordinary meeting of the Council on 10th July 2025.
- (2) Authorise the Corporate Manager – Democracy, in consultation with the Chairman of CGAS, and Leader of the Council to make any further minor updates to the Constitution documents to be recommended for update to the Council, in advance of the report to the Council.

**JILL SHUTTLEWORTH**  
**CORPORATE MANAGER – DEMOCRACY**

**Contact:** [Jill.shuttleworth@rushmoor.gov.uk](mailto:Jill.shuttleworth@rushmoor.gov.uk)

## **SCHEME FOR PUBLIC QUESTIONS AT FULL COUNCIL MEETINGS**

### **OVERVIEW**

The purpose of the Scheme for Public Questions at full Council is to enable a Member of the public with a connection to the Rushmoor area to ask a Member of the Cabinet or Chairman of Committee, a question on any matter in relation to which the Council has powers or duties, or which affects the Borough.

A maximum period of 15 minutes will be allocated for public questions on the Council agenda.

The Scheme is available to:

- Anyone who lives or works within the area of Rushmoor
- The owner of a business or property which is physically located within the Borough
- A representative of any local group or organisation, which is associated with and operates within the Borough.

Except those who have a close and direct family relationship to an Elected Member on the Council.

### **PROCESS**

- 1.1 A member of the public may ask questions of the Leader of the Council, any Member of the Cabinet or the Chair of any Committee on any matter in relation to which the Council has powers or duties, or which affects the Borough.
- 1.2 A member of the public is limited to asking one question at any meeting of the Council. No more than one question can be asked on behalf of any organisation or body at any Council meeting. No public questions may be asked at the Annual Council meeting.
- 1.3 No question shall exceed 100 words in length.
- 1.4 The full question must be sent, in writing, to the Corporate Manager – Democracy, via email to [committeeservices@rushmoor.gov.uk](mailto:committeeservices@rushmoor.gov.uk), to be received no later than 5pm on the fourth working day prior to the day of the meeting. (For the avoidance of doubt, if a meeting were to be held on a Thursday evening, the deadline would be 5pm on the Friday of the preceding week). No questions from the public will be allowed where the requisite notice has not been given.
- 1.5 For questions that are accepted, the Corporate Manager – Democracy will agree with the questioner whether they wish to be named at the Council Meeting, or

whether they wish to be referred to in a more anonymised way e.g. 'a resident from X ward'

### **Grounds for refusal of a Public Question**

1.6 The Managing Director of the Council may reject a question for Council for inclusion on the agenda if in their opinion:

- it does not relate to a matter for which the Council has responsibility or does not affect the Borough or its residents, communities or businesses,
- it is defamatory, frivolous, vexatious, or offensive,
- it refers to legal proceedings taken or anticipated by or against the Council
- it is substantially the same as a question or statement which has been put to a meeting of Council within the previous 6 months,
- it requires the disclosure of confidential or exempt information, or
- it would more appropriately be responded to by the Council under the Freedom of Information Act 2000, or the Data Protection Act 1998 as amended
- Allegations against individual councillors or officers

### **Responding to Questions**

1.7 The Corporate Manager – Democracy will prepare a list of tabled questions in the order in which they have been received.

1.8 The Leader of the Council and the appropriate Member(s) will be advised in advance of the question that has been submitted.

1.9 At the Council Meeting, questions will be taken in the order in which they were received by the Corporate Manager – Democracy, except that the Mayor may group similar questions or statements together.

1.10 Public questions may be read out by the Mayor on behalf of the questioner, or may be asked by the member of the public at the meeting when invited to do so by the Mayor.

1.11 The response to a public question will take the form of a verbal response with a written answer recorded in the minutes of the meeting.

1.12 The Mayor will be responsible for the conduct of public questions at the Council Meeting, allowing a supplementary question where appropriate.

1.13 The Mayor's ruling on the conduct of public questions will be final.

**An Extract of the Discussion Paper considered by the Constitution Working Group at its meeting on 1st April 2025**

Reviewing the draft recommendations, they are presented as:

- (1) some preparatory and foundational recommendations for consideration by Cabinet; and
- (2) key structural considerations for discussion which would require a change to decision-making structures/the Constitution

**SECTION 1**

Areas for consideration/direction by Cabinet

- 1) Confirming non-executive members' roles in policy development** in a way that is tightly informed by the Financial Resilience Plan and wider Council planning work.
  - use of cross-party Cabinet Working Groups
  - Portfolio Holder accountability to OSC to enhance political oversight
- 2) A framework for non-executive member assurance – Quality of Information and Data to support decisions needs to improve** regularly produced information on performance, finance and risk to share regularly with members – what information, level of detail, how shared.
- 3) Approach to ensuring Members are informed and sighted on important matters** – briefings, circulation of documents with an eye to members' non-executive roles.

**SECTION 2**

**Key structural changes for discussion**

**4) The future of PPAB**

The Review proposed the abolition of PPAB, and instead re-organising committee bodies.

However, at the Members workshop, views were expressed that Cabinet had not used PPAB in the way that it was originally intended for policy development and that it was an option to improve PPAB instead of abolishing the body. The original theory underpinning PPAB and OSC was sound. There were some concerns that OSC would not have capacity to adopt PPAB's policy development role.

**To consider retaining an improved Policy and Project Advisory Board and put in place provisions which would strengthen the terms of reference.**

Cabinet takes the lead in initiating policy and policy development. To enable PPAB to operate more effectively on formal policy development means taking measures to improve how PPAB intersects with Cabinet. The review found that PPAB's role in policy development does not link especially closely to the content of the Council Plan.

Proposals which may strengthen PPAB terms of reference:

- Requirement to have a clear and visible work programme, held by a single overarching Progress Group with a coordinating role across all work plans for PPAB, OSC and CGAS.
- Requirement for work programming to engage with Cabinet and linked to the Council Plan priorities
- Clarifying PPAB's role to consider policy proposals when they have already been partly-formulated by Cabinet – with the emphasis on supporting policy development by looking at how the policy is framed e.g. Demand and need from residents, pressures and constraints, risks and other strategic factors. The focus could be on the highest profile/contentious issues.
- The overarching Progress Group expected to reference the forward Cabinet Work Programme – with programmed activity for the following 6 to 12 months ahead
- Time limited Working Groups expected to engage with Portfolio Holder

## **5) Overview and Scrutiny Committee**

The Review proposed integrating the roles of non-executive members in the terms of reference – as a body with a clear focus on performance review, policy review and review of financial matters.

At the Members workshop, it was suggested that performance review should be more inward focused on the organisation's performance, rather than external. Scrutiny to focus on an enhanced performance plan. Clarity of different roles on finance, between O&S and Audit and Governance to be reflected in the terms of reference.

Task and Finish Groups enable more freedom to Members to carry out in-depth reviews – but should 'finish'. There was also support for improved co-ordination of work programmes with other committee bodies to avoid duplication.



**Proposed to make some adjustments to the OSC terms of reference to reflect the key responsibilities of non-executive members – no reduction to scheduled OSC meetings.**

## **6) Future of CGAS**

The Review advised that the CGAS Committee responsibilities were too broad and that a new Audit and Governance Committee should be established.

At the Member Workshop, there was support for separating out the corporate business functions from governance and audit functions, and training support is needed for Audit.

Members taking part in Licensing Hearings must be drawn from the Licensing Committee. Members on a Corporate Business and Licensing Committee must have a large proportion of members who would be available for training and attending licensing hearings.

**To consider splitting the current terms of reference for CGAS across two new Committees – (1) ‘Audit and Governance Committee’ (meeting six times a year) and a second committee covering all the remaining Corporate Business and Licensing functions (meeting three times a year). (Licensing Hearings are held throughout the year as needed – once the membership has been appointed by the Licensing Committee).**

## **7) A Single Progress Group to align work programmes**

The Review recommends a single Progress Group, appointed to and accountable to the Corporate Business Committee. The Membership of a Progress Group can be drawn from the across the Council.

This would be a business management space for non-executive activity, tasked to ensure that committees, collectively, are able to effectively carry out the five duties/roles of non-executive members as in the introduction above.

**To consider a new single Progress Group to:**

- **Align work programmes of the non-exec bodies, OSC, PPAB and Corporate Governance and Audit**
- **Prioritise business relating to the five non-executive roles**
- **Developing work programmes taking into account Cabinet business, Financial Resilience Working Group, key financial and risk register information, and performance data.**
- **Co-ordinate a new Member Development Plan for Non-Executive Members framed around the five non-executive roles reflecting a new focus for engagement with Portfolio Holders. This to include training to support the Audit Committee.**

**Membership can be drawn from across the Council – views on make-up of the body**

## NOMINATIONS FOR COUNCIL REPRESENTATION 2025/26

### PART 1 - OUTSIDE BODIES

1.	<b>Aldershot and Farnborough Festival of Music and Art</b>			
	The festival takes place each year in May and with objectives to promote excellence in the performing arts at all levels and to encourage the participation of the people of Rushmoor, of all ages and abilities.			
	<b>Location and frequency of meetings</b>	<b>Membership and Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Five times a year at 7.15 p.m. on a Monday at the Council Offices – Feb, June, Sept and Nov (AGM and Committee Meeting).	Two or three Members (cross Group representation)  This role is assisting a community link	Cllr Lisa Greenway Cllr Ivan Whitmee Cllr Sue Carter	Cllr Sophie Porter Cllr Sue Carter

2.	<b>Blackbushe Airport Consultative Committee</b>			
	The Consultative Committee provides a Forum for Blackbushe Airport to engage with local councils (parish, district and county) and other local interest groups and residents, related to airport business and events.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Twice a year - March/Sept-Oct at the Pathfinder Café, Blackbushe Airport	One Member and a Standing Deputy (requested by the Consultative Committee)  This role is assisting a link to the business activities of the Airport with an expectation for informal feedback	Cllr Jules Crossley  Standing Deputy: Cllr Alex Crawford	Cllr Julie Hall  Standing Deputy: Cllr Keith Dibble

Page 136	<b>3. Blackwater Valley Advisory Panel for Public Transport</b>			
	This a liaison meeting for representatives from local authorities across the Blackwater Valley area to consider the proposals of bus and train companies operating within the area which are likely to affect the interests of the populations of two or more member districts and to discuss and recommend proposals for the improvement of existing services. Attended by local authorities and representatives from bus and rail operators.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	4 times a year.  Meetings are currently being held virtually on Zoom starting at 2.00 p.m.	Cabinet Member with responsibility for public transport, or a representative nominated by the Cabinet, and one Member.  Up to two Standing Deputies  This role is assisting a link to transport actives - expectation for informal feedback to the Council's Planning Policy Team.	Cllr Mike Roberts Cllr Steve Harden  Standing Deputy: Cllr Alex Crawford	Cllr Keith Dibble Cllr Steve Harden  Standing Deputy: Cllr Mike Roberts

4.	<b>Blackwater Valley Countryside Partnership</b>			
	The aim of the Partnership is to provide a continuous green space alongside the Blackwater River as an attractive, safe, sustainable and wildlife rich environment for informal countryside recreation. The Partnership co-ordinates a programme of recreation and conservation tasks in the Blackwater Valley on behalf of the local authorities within the area – including Rushmoor Borough Council.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Annual Meeting Further details to be confirmed	Two Members and up to two Standing Deputies  There is an expectation for informal feedback to the Council	Cllr Clive Grattan Cllr Jules Crossley  Standing Deputy: Cllr G.B. Lyon	Cllr Jules Crossley Cllr Akmal Gani  Standing Deputies: Cllr G.B. Lyon Cllr Clive Grattan

5.	<b>Brickfield Country Park, Friends of</b>			
	The Friends Group was formed to maintain, protect wildlife, and improve the small Brickfield Country Park in Manor Park Ward, Aldershot.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	4 times a year	Three Manor Park Members  This role is assisting a community link	Manor Park Ward Councillors	Manor Park Ward Councillors

6.	<b>Citizens Advice Rushmoor Trustee Board</b>			
	Part of the national Citizens Advice network, Citizens Advice Rushmoor is an independent charity which offers free, confidential, impartial, and independent advice and information services. The Board of Trustees is responsible for the quality and type of services provided and sets the overall direction for the organisation. The Board supports the development of the organisation, monitors performance, manages finances and works to ensure services meet the needs of the local community.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Meetings held in Person  8-10 Board Meetings a year and Trustee development day	One Members to join in an observer role as set out in Service Level Agreement  A Standing Deputy is under consideration by CAR	Cllr Bill O'Donovan (Observer)	Cllr Bill O'Donovan (Observer)

7.	<b>Cove Brook Greenway Group – Committee Meeting</b>			
	The Group works with Rushmoor Borough Council and the Environment Agency to look after Cove Brook, a wildlife rich greenway running through Farnborough, for the benefit of local people and wildlife.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	4 times a year at Blundon Hall, Farnborough	Two Members  This role is assisting a community link	Cllr Clive Grattan Cllr Rhian Jones	Cllr Clive Grattan Cllr Rhian Jones

8.	<b>District Council's Network (DCN) Assembly</b>			
	The DCN is a Special Interest Group of the Local Government Association (LGA) and provides a single voice for all district councils within the LGA. Rushmoor is a Member Council.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Virtual Meetings – as called by DCN.  AGM Annual Conference	Leader of the Council	Leader of the Council	Leader of the Council

9.	<b>Hampshire Place Board</b>			
	The Board brings together the elected leaders of the partner councils with the purpose of strengthening local authority collaboration and to enable collective discussion and local authority representation on priorities and issues affecting the area.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Six times a year via Zoom	Leader of the Council  Standing Deputy: Deputy Leader	Leader of the Council  Standing Deputy: Deputy Leader	Leader of the Council  Standing Deputy: Deputy Leader



10.	<b>Frimley Integrated Care Partnership Assembly</b>			
	Partnership between local authorities, Frimley ICB, and other local health partners and voluntary groups to reduce health inequalities and to support the health needs of the Place.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Quarterly/ Twice a Year	Portfolio Holder with responsibility for health and wellbeing	Portfolio Holder: Cllr Sophie Porter	Portfolio Holder: Cllr Sophie Porter

11.	<b>Farnborough Aerodrome Consultative Committee (FACC)</b>			
	The Consultative Committee provides a forum for the management of Farnborough Aerodrome, to engage with local authorities, airport users and local interest groups on a range of environmental and other airport issues.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	3 times a year during the afternoon	<p>Cabinet Member</p> <p>One Member from a ward that adjoins the site (St Marks, Cove &amp; Southwood, Empress, Knellwood, Wellington)</p> <p>Standing Deputy</p> <p>This role provides a link to the business activities of the Airport with an expectation of informal feedback to the Council.</p>	<p>Cabinet member: Cllr Keith Dibble</p> <p>Cllr Craig Card</p> <p>Standing Deputy: Cllr Alex Crawford</p>	<p>Cabinet member: Cllr Keith Dibble</p> <p>Cllr Craig Card</p> <p>Standing Deputy: Cllr Mara Makunura</p>

12.	<b>457 Squadron Farnborough RAF Air Cadets</b>			
	Part of the RAF Air Cadets, this is a military themed youth organisation supported by the Royal Air Force.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Squadron HQ, St Christopher's Road, Cove, Farnborough  6 Meetings per year	One Member  This role is assisting a community link	Cllr Nadia Martin	Cllr Abe Allen

13.	<b>Hampshire and Isle of Wight Local Government Association (HLOWLGA)</b>			
	The Association provides a structure for collaboration between all local authorities in Hampshire, Portsmouth, Southampton and the Isle of Wight and represents the interests of local government in Hampshire and IOW.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Rota of authorities	Two Cabinet Members one of whom is the leader	Leader of the Council Deputy Leader of the Council	Leader of the Council Deputy Leader of the Council

14.	<b>Hampshire Police and Crime Panel (PCP)</b>			
	The PCP is responsible for scrutinising and supporting the Police and Crime Commissioner (PCC) for Hampshire. The PCP is made up of representatives from each of the local authorities in the Hampshire Police area, including Portsmouth, Southampton and the Isle of Wight. Responsibilities include reviewing the draft Police and Crime Plan, reviewing, and having the power to veto, the PCC's proposed Council Tax precept levels and confirming and having the power to veto the Chief Constable's appointment.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Four times a year Hampshire County Council, Winchester	Leader or Cabinet Member	Cllr Becky Williams  Standing Deputy Cllr Halleh Koohestani	Cabinet Member with responsibility for Community Safety  Cllr Christine Guinness

15.	<b>Hampshire Buildings Preservation Trust AGM</b>			
	The Organisation's purpose is to preserve the historical, architectural and constructional heritage of Hampshire by means of conservation and education.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	November 2025  Location in Hampshire – last year took place in Portsmouth	Two Members	Cllr Tom Day Cllr Lisa Greenway	Cllr Tom Day Vacancy

16.	<b>Local Government Association – National General Assembly</b>			
	The General Assembly is a formal meeting which is part of the LGA's political governance structure. It considers strategic policy issues of national significance to local government.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Annual – Various locations	Leader of the Council	Leader of the Council	Leader of the Council

17.	<b>North Hampshire Area Road Safety Council</b>			
	The Road Safety Council meetings are intended to help promote and raise awareness of Countywide Road Safety Education Campaigns delivered by Hampshire County Council, Hampshire Police and the Hampshire Fire and Rescue Service. Meetings include officers from those organisations plus County and District Members together. Other representatives include those involved with cycling groups, driving organisations, pedestrians and equestrians.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Checking current arrangements with Hampshire Road Safety Team	One Member Standing Deputy	Cllr Mike Roberts  Standing Deputy Cllr Jules Crossley	Cllr Christine Guinness  Standing Deputy Cllr Jules Crossley

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18.	PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee			
	PATROL has been established to enable councils undertaking civil parking enforcement to exercise their functions under Section 81 of the Traffic Management Act 2004 and Regulations 17 and 18 of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007. PATROL provides for independent adjudication for appeals against civil traffic penalties.			
	Location and frequency of meetings	Membership Requirements	Representatives 2024/25	Nominations for 2025/26
	Annually in July, Westminster, London	One Member is required  (The PATROL Adjudication Joint Committee Agreement (which Rushmoor is party to) requires nomination of a Councillor to the Joint Committee, even if that councillor is unable to attend meetings)	Cllr Becky Williams	Cllr Christine Guinness

<b>19. Parity for Disability</b>				
	A local charity based in Cove, Farnborough set up to support people with multiple disabilities, their families and carers, and actively works to meet students' evolving needs through specialist services and partnership working.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Day Centre, Whetstone Road, Cove	One Member and One Standing Deputy  This role is assisting a community link	Cllr Lisa Greenway  Standing Deputy Cllr Steve Masterson	Cllr Tom Day  Standing Deputy Cllr Steve Masterson

20.	<b>Project Integra - Strategic Board</b>			
	Project Integra is a partnership of local authorities in Hampshire, Portsmouth and Southampton which delivers a combined approach to waste services. The Joint Municipal Waste Management Strategy sets out the strategic direction for the Partnership.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	3 Meetings a Year: 1x in person at HCC Winchester 2x meetings on Teams	Cabinet Member with responsibility for waste management	Cabinet Member Cllr Becky Williams	Cabinet Member with responsibility for waste services  Cllr Christine Guinness

21.	<b>Royal British Legion (Farnborough Branch) Remembrance Day Arrangements</b>			
	Armed Forces Charity supporting the Armed Forces community and Remembrance Day arrangements and events.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	The Royal British Legion, 51 Cambridge Road East, Farnborough, GU14 6QB	Two Members  This role is assisting a community link	Cllr Nadia Martin Cllr Clive Grattan	Cllr Clive Grattan Cllr Gareth Lyon

Page 146	<b>22. Rushmoor Voluntary Services (RVS) Board</b>			
	RVS are the Council for Voluntary Service (CVS) in Rushmoor. Its role in the community is to champion volunteering and to support any voluntary or community group working in Rushmoor. It is a hub for organisations wanting to promote their services; for those seeking volunteer help and for those seeking to make links with other organisations in the area. RVS also manages a number of projects that provide community benefit. Rushmoor provides core funding for RVS and the Board of Trustee Meetings are responsible for ensuring effective governance and scrutinising the work undertaken.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	6 meetings a year Meetings held virtually via Teams	One Member to join Board Meetings - Not as Trustee  Expectation of report back to the Council – linked to updates at OSC/PPAB as appropriate	Cllr Sophie Porter	Cllr Sophie Porter

	<b>23. South-East Employers (SEE) – Annual General Meeting and Network Meetings</b>			
	SEE is an employer's organisation for local authorities in the South-East to represent member councils' collective interests at a regional and national level. SEE provides expert knowledge, training and advice on employment and workforce matters, and supports Members' Learning and Development.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Annual Meeting held in July each year. Voting to appoint the Chair, Vice-Chairs and the Executive Committee takes place at the AGM in July.  Network Meetings as arranged.	Cabinet Member with responsibility for HR/People  One Member as Standing Deputy  Full role profile prepared by SEE is available from the Democracy Team	Cabinet Member with responsibility for HR/People  Standing Deputy: Cllr Keith Dibble	Cabinet Member with responsibility for HR/People  Cllr Alex Crawford  Standing Deputy: Cllr Keith Dibble

24.	<b>Thames Basin Heaths Joint Strategic Partnership Board</b>			
	A Partnership to enable joint working, liaison and the exchange of information between local authorities and other organisations affected by the Thames Basin Heaths (TBH) Special Protection Area (SPA). It will address matters relating to the long-term protection of the TBH SPA arising from planning permissions for new residential development, and associated land management and planning issues that are of joint interest to the member organisations. Attendance includes 14 local authorities, Natural England, and major landowners.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	Twice a year during the day with additional meetings scheduled if necessary – held virtually	Cabinet Member with responsibility for planning policy	Cabinet Member Cllr Keith Dibble	Cabinet Member with responsibility for planning policy  Cllr Keith Dibble

25.	<b>Wellesley Residents Trust Board of Directors</b>			
	Under the terms of the S106 agreement for the Wellesley Development the developers were required to set up an Estate Management Company (EMC) to maintain and manage the open spaces and estate areas of the development, with Rushmoor BC entitled to become a member of the company and nominate a representative to be appointed as a director of the company. The appointment is to act as the Council's representative on the estate management company – Wellesley Residents Trust Ltd. to help ensure that the obligations of the EMC are fulfilled in accordance with the agreed Estate Management Plan.			
Page 147	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	To be advised	One Member to be appointed as a Director to the Residents Trust  Copy of background report available from Democracy Team	Cllr Nadia Martin	Cllr Keith Dibble



## PART 2 – COUNCIL GROUPS, PARTNERSHIPS AND BOARDS

Page 148	<b>26. Safer North Hampshire – Community Safety Partnership</b>			
	The Partnership oversees community safety issues across Rushmoor, Hart and Basingstoke			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	3 times a year by rotation of the local authorities	Cabinet Member with responsibility for community safety	Cabinet Member Cllr Becky Williams	Cabinet Member with responsibility for Community Safety  Cllr Christine Guinness

27.	Crime and Disorder Joint Scrutiny Committee (Hart/Basingstoke/Rushmoor)			
	A Joint Scrutiny Committee between Hart DC, Basingstoke and Deane BC and Rushmoor BC with responsibility for the Performance Review of the Safer North Hampshire Community Safety Partnership in relation to its crime and disorder functions.			
	Location and frequency of meetings	Membership Requirements	Representatives 2024/25	Nominations for 2025/26
	Once a year Next meeting – Tuesday 13th June at the Rushmoor Borough Council Offices	Three non-executive members including the Chairman and/or vice chairman of OSC  To reflect proportionality: 1 Conservative 2 Labour	Two representatives from the Chairmen and Vice-Chairmen of the OSC Committee  Cllr Martin Tennant	Two representatives from the Chairmen and Vice-Chairmen of the OSC Committee  Cllr Martin Tennant

28.	<b>Rushmoor Development Partnership LLP (RDP) Board</b>			
	The RDP brings together Rushmoor Borough Council and development partner, Hill Investment Partnerships Ltd, to deliver major regeneration schemes across the Borough. The Board, which comprises representatives from both Hill and the Council, is responsible for all major financial and business decisions; including setting and approving budgets, approving all unbudgeted expenditure, decisions on the sale and purchase of land, approving investment plans and projects plans and material variations to plans.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
		Cabinet Member with Responsibility for Major Projects Chief Executive Executive Director	Chief Executive Executive Director (KE) Cllr Christine Guinness	Cabinet Member with Responsibility for regen. development projects Managing Director Executive Director

29.	<b>Rushmoor Housing Ltd (RHL) - Board of Directors</b>			
	RHL has been set up to provide quality homes for rent in the Borough.			
Page 149	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2024/25</b>	<b>Nominations for 2025/26</b>
	The Board meets approximately every six weeks depending on the timing of key decisions	Three Members	Cllr Gareth Williams Cllr Ivan Whitmee Cllr S Trussler	Cllr Gareth Williams Cllr to be confirmed Cllr S Trussler

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