



Public Document Pack
Boston Borough Council

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Friday 3 October 2025

Notice of meeting of the Audit & Governance Committee

Dear Councillor

You are invited to attend a meeting of the Audit & Governance Committee
on **Monday 13th October 2025 at 6.30 pm**
in the Committee Room - Municipal Buildings, West Street, Boston, PE21 8QR

Rob Barlow
Chief Executive

Membership:

Chairman:	Councillor Barrie Pierpoint
Vice-Chairman:	Councillor James Cantwell
Councillors:	Richard Austin BEM, Anton Dani, Anne Dorrian, Neil Drayton, Andy Izard, Ralph Pryke, Lina Savickiene, David Scoot and Stephen Woodliffe
Co-opted Independent Members:	Adam Cartwright and Gideon Hall

Members of the public are welcome to attend the committee meeting as observers except during the consideration of exempt or confidential items.

This meeting may be subject to being recorded.

Agenda

Part I - Preliminaries

A Apologies for Absence

To receive apologies for absence.

B Declarations of Interest

To receive declarations of interests in respect of any item on the agenda.

C Minutes

(Pages 1 - 12)

To sign and confirm the minutes of the last meeting.

D Actions (Pages 13 - 16)

To note the actions from the previous meeting.

E Public Questions

To answer any written questions received from members of the public no later than 5 p.m. two clear working days prior to the meeting – for this meeting the deadline is 5 p.m. on Wednesday 8th October 2025.

Part II - Agenda Items

1 External Auditors Progress Report 2024/2025 (Verbal Report)

(A verbal update by KPMG)

2 Internal Audit Progress Report - September 2025 (Pages 17 - 30)

(A report by Mark Harrison, Audit Manager – Lincolnshire County Council)

3 Internal Audit Charter (Pages 31 - 38)

(A report by Mark Harrison, Audit Manager – Lincolnshire County Council)

4 Quarter 1 25/26 Risk Report (Pages 39 - 52)

(A report by John Medler, Assistant Director – Governance & Monitoring Officer)

5 Q1 Treasury Report 2025/26 (Pages 53 - 70)

(A report by Brendan Arnold, Interim Director of Finance (S151 Officer))

6 Work Programme (Pages 71 - 72)

(For Members to consider the Committee's work programme.)

Notes:

Please contact Democratic Services (demservices@boston.gov.uk) if you have any queries about the agenda and documents for this meeting.

Council Members who are not able to attend the meeting should notify Democratic Services as soon as possible.

Alternative Versions

Should you wish to have the agenda or report in an alternative format such as larger text, Braille or a specific language, please telephone 01205 314502.

Boston Borough Council

Minutes of a meeting of the **Audit & Governance Committee** held in the Committee Room - Municipal Buildings, West Street, Boston, PE21 8QR on Monday 7th July 2025 at 6.30 pm.

Present:

Councillor Barrie Pierpoint, in the Chair.

Councillors Councillor Mike Gilbert, James Cantwell, Anton Dani, David Middleton, Ralph Pryke, Lina Savickiene, Suzanne Welberry and Stephen Woodliffe (substitute for Richard Austin BEM).

Co-opted Independent Members: Adam Cartwright and Gideon Hall.

Officers:

Interim Finance Director and S151 Officer, Assistant Director - Governance and Monitoring Officer, Group Manager – Insights & Transformation, Scrutiny & Policy Officer, Head of Finance Delivery - Technical and Corporate, PSPSL, Treasury and Investment Manager (PSPSL), Head of Internal Audit & Risk, Internal Audit Team Manager, Democratic Services Team Leader and Democratic Services Officer.

1 Apologies for Absence

Apologies for absence were received from Councillor Richard Austin, with Councillor Stephen Woodliffe substituting, and from Councillor Andy Izard.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

The minutes of the previous meeting held on 22nd April 2025 were agreed and signed by the Chairman.

4 Actions

Members considered the actions from the previous meetings held on 22nd April 2025 which had been circulated with the agenda. The Democratic Services Team Leader advised that there were no outstanding actions.

The following matters were raised for follow-up:

- Clarification was requested on the relationship between KPIs and contractual obligations in the Parkwood Leisure contract. Officers undertook to provide a written response.
- A request was made for information regarding street lighting decarbonisation, which had been raised at the previous meeting but had not yet been addressed. Officers confirmed that an update would be provided following the meeting.

5 Public Questions

No questions had been received.

6 Towns Board Capital Projects

The Committee received a verbal presentation from the Director of Economic Development, who had been invited to provide an update on the governance and delivery of the Towns Fund capital projects, following a request from a Member for further assurance on project oversight and expenditure.

The Director of Economic Development explained that the Boston Town Deal Board had been established in accordance with Government guidance to oversee the delivery of the Towns Fund programme, for which Boston had been awarded £21.9 million in August 2021. The Board was chaired by an independent private sector representative and comprised a range of external stakeholders. Boston Borough Council remained the accountable body for the funding and was responsible for ensuring compliance with all financial and governance requirements.

The Committee was advised that the Towns Fund programme comprised seven projects, each of which had been subject to rigorous internal and external monitoring. Oversight was provided through the Council's Major Projects Board, regular reporting to Cabinet and Scrutiny Committees, and six-monthly returns to central Government. It was confirmed that all funding had been fully committed and that all projects were either completed or progressing in line with agreed timescales.

The following project-level updates were provided:

- Boston Leisure Project – £3 million Towns Fund contribution; additional funding from the Levelling Up Partnership and Council resources. Estimated completion: September 2026.
- The Mayflower (Boston College Campus) – Estimated completion: July 2025.
- St Botolph's Library and Lighting – Estimated completion: September 2025.
- Centre for Food and Fresh Produce Logistics – Delivered in partnership with the University of Lincoln. Status: Completed.
- Blenkin Memorial Hall Refurbishment – Status: Completed.
- Healing the High Street – Includes refurbishment of Shodfriars Hall and shop front improvements. Estimated completion: March 2026. Currently rated amber due to outstanding grant agreements, but expected to return to green status imminently.
- Boston Railway Station Refurbishment – Towns Fund contribution of £2.475 million. Estimated completion: July 2025.

Members discussed the report and commented as follows:

- Clarification was sought on the total funding for the Boston Leisure Project, noting a discrepancy in the figures presented. It was acknowledged that a typographical error had occurred and that the correct total would be circulated following the meeting.
- Further queries were raised regarding the completion status of the Boston Railway Station project and whether the funding allocation had increased. It was confirmed that

the Towns Fund contribution remained at £2.475 million, with additional match funding provided by other partners.

- Concerns were also raised regarding the reported closure of the Geoff Moulder Leisure Centre for a period of 18 months. It was advised that £3 million from the Towns Fund and £7 million from the Levelling Up Partnership had been allocated to the Boston Leisure Project, which included works at Geoff Moulder. Officers undertook to investigate the reported closure and provide a written response.
- A further query was raised regarding the composition of the Town Deal Board. The Chairman advised that the focus of the item was on governance and project delivery, and that a full list of Board members could be provided separately if required.

The Committee thanked the Director of Economic Development for her attendance and noted the update.

Resolved:

That the verbal update be noted.

[The Director of Economic Development left the meeting at 6.48pm, following consideration of the above item.]

7 Internal Audit Annual Report and Opinion 2024/25

The Head of Internal Audit & Risk presented a report which provided a summary of internal audit activity undertaken during the 2024/25 financial year and set out the annual audit opinion on the Council's governance, risk management, and internal control arrangements.

It was reported that the overall audit opinion for the year was one of "adequate assurance", meaning that the control framework was generally reliable and that controls to mitigate key risks were operating effectively, although some areas required improvement. The opinion had been informed by a combination of assurance and consultancy work, follow-up reviews, and other governance documentation.

The Head of Internal Audit & Risk highlighted the following key points:

- The audit opinion had been based on a combination of assurance and consultancy work, follow-up reviews, and other governance documentation.
- Two areas had received a limited assurance rating during the year:
 - Insurance: The audit identified concerns regarding the outsourcing of insurance administration by PSPS to a third-party provider (TRF). Issues included a lack of contract management, unclear roles and responsibilities, and incomplete asset records. These deficiencies had resulted in the postponement of the 2024/25 insurance re-tendering exercise and the extension of existing contracts, which was not compliant with the Council's procurement regulations.
 - Bank Reconciliations: The audit found inconsistent processes across different accounts, high levels of manual intervention, and delays in completing reconciliations. The lack of automation and the impact of staff turnover were noted as contributing factors.
- The audit team had experienced delays in accessing data and systems, which had negatively impacted performance indicators. Improvements were planned for 2025/26,

including a change in audit management and closer engagement with the Section 151 Officer to ensure timely access to information and improved delivery.

- The audit service continued to conform to Public Sector Internal Audit Standards, with a 2022 external assessment confirming full compliance.

Members discussed the report and commented as follows:

- Members expressed concern regarding the two areas of limited assurance and emphasised the importance of ensuring that such findings were not repeated in future audits. It was noted that the insurance function, in particular, required clearer oversight and accountability. Officers confirmed that a service review of the insurance function was underway and that improvements had already been made, including the successful completion of a new insurance tender and updated reconciliations.
- In relation to bank reconciliations, Members noted that processes varied across accounts, with high levels of manual intervention and delays in completion. The lack of automation and the impact of staff turnover were highlighted as contributing factors.
- Members commented on the terminology used in audit reports and requested that future reports include clearer definitions of assurance levels to aid understanding. It was suggested that a summary of assurance categories be included in future reports to assist Members in interpreting audit findings.
- Members also questioned the effectiveness of oversight arrangements and whether there were any mechanisms in place to hold PSPS accountable for underperformance, particularly in relation to the insurance contract. It was acknowledged that, as a Teckal company, PSPS was owned by the Council and its partners, and therefore financial penalties would not be appropriate in the traditional sense.
- Clarification was sought on the contractual arrangements with TRF, and it was confirmed during the meeting that the insurance function had indeed been outsourced. Officers undertook to provide a written response to clarify the governance and oversight arrangements in place.
- The Committee welcomed the assurance that improvements were being implemented and noted the importance of maintaining strong oversight of outsourced services.

Resolved:

That the report be noted.

[The Head of Internal Audit & Risk left the meeting at 7.11pm, following consideration of the above item.]

8 Quarter 4 Risk Report 24/25

The Group Manager - Insights & Transformation presented a report which provided an update on the Council's strategic, partnership, and fraud risk registers as at the end of March 2025. The report formed part of the Committee's regular oversight of the Council's risk management arrangements.

It was reported that the risk registers had undergone a full review during the quarter, with updates made to risk wording, scoring, and planned actions where appropriate. The Committee was advised that a dedicated Member training session had been scheduled for 15th September 2025. The session would serve both as a refresher on the risk

management framework and as an opportunity to undertake a detailed, line-by-line review of the risk registers. Members were encouraged to use the session to explore the rationale behind risk scores and treatments in greater depth than was possible during formal meetings.

The Group Manager - Insights & Transformation confirmed that improvements to the format of the covering report would be introduced in future, following recommendations from a recent internal audit. These improvements would include clearer explanations of changes in risk scores and more consistent presentation of risk treatments and action statuses.

Members discussed the report and commented as follows:

- Members welcomed the planned training session and supported the proposal to use it for a comprehensive review of the risk registers.
- A number of specific points were raised in relation to individual risks and the presentation of the register:
 - It was suggested that the civil contingency risk (BBC06) be reviewed in light of the increasing number of battery storage developments in the borough. Officers undertook to liaise with the Lincolnshire Resilience Forum to consider whether this emerging risk should be reflected in the register.
 - The potential impact of artificial intelligence (AI) on service delivery and governance was raised as a future consideration. Officers agreed to explore this further as part of the next quarterly review.
 - Clarification was sought on the removal of the staff retention risk (BBC19) from the strategic register. It was explained that the risk had been consolidated into the partnership risk register to avoid duplication.
 - A request was made for clearer explanations of risk treatments and scoring, particularly where actions were marked as “not applicable”. Officers confirmed that this would be addressed in the revised format of the report.
 - It was noted that the depot accommodation risk had reduced from high to medium following the signing of a lease agreement, and that the procurement fraud risk score had also reduced due to improved controls following the procurement card audit.

The Committee thanked the Group Manager - Insights & Transformation for the update.

Resolved:

That the report be noted.

9 Annual Treasury Report 2024/25

The Interim Treasury Manager, PSPSL provided a review of the Council's treasury management activities for the financial year 2024/25. The report was presented in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and formed a key part of the Council's governance framework.

The Committee was advised that the report covered several key areas, including capital expenditure and financing, borrowing and investment activity, and compliance with prudential indicators. It was reported that the Council had maintained a strong financial position throughout the year, with investment income significantly exceeding budget expectations.

It was confirmed that the Council had continued to operate with a low level of external borrowing, maintaining an under-borrowed position by using internal resources to fund capital expenditure. The Council's investment strategy had delivered strong returns, with treasury investments achieving an average rate of 5.29% and property fund investments returning 3.21%, resulting in a combined return of 4.57%. The net treasury income for the year was reported as £2.827 million, representing a surplus of £710,000 against the budget.

The Interim Treasury Manager, PSPSL advised that all treasury and prudential indicators had been met and that the Council remained compliant with its approved Treasury Management Strategy. The report also included a detailed breakdown of the Council's investment portfolio and the performance of its property fund holdings.

The Committee was invited to scrutinise the report and provide any comments for consideration by Full Council at its meeting on 21st July 2025.

Members discussed the report and commented as follows:

- Members welcomed the strong financial performance reported for the year and noted the significant surplus generated from investment income. The Committee acknowledged that the Council's strategy of maintaining an under-borrowed position had proven effective, with internal resources being used to fund capital expenditure and avoid the need for additional external borrowing.
- Clarification was sought regarding the valuation of the Council's property fund investments, which had decreased in value since purchase. It was noted that while the capital value of the investments remained below the original purchase price, there had been a modest recovery in the most recent year. The long-term nature of these investments was emphasised, and it was confirmed that the Council continued to receive regular income distributions from the funds.
- Further clarification was requested on whether the property funds were limited to UK-based assets or included international holdings. It was confirmed that the Council's investments were restricted to UK property funds, in line with the original investment strategy.
- The Committee also discussed the balance between risk and return in the Council's investment approach. It was noted that while higher returns had been achieved, the Council continued to prioritise security and liquidity in accordance with its Treasury Management Strategy.

The report was well received, and Members expressed satisfaction with the Council's prudent and effective treasury management during the year.

The recommendation was moved by Councillor Anton Dani and seconded by Councillor Lina Savickiene.

Resolved:

That the Committees' comments in respect of the Annual Treasury Report 2024/25, in Appendix 1 within the report, be noted for inclusion within the report to Full Council on 21 July 2025.

10 Annual Governance Statement (AGS) 2024/25

The Group Manager - Insights & Transformation introduced the Annual Governance Statement by outlining its statutory purpose and role in supporting the Council's overall governance framework. It was explained that the statement had been prepared in accordance with the Accounts and Audit Regulations 2015 and the CIPFA/SOLACE framework for delivering good governance in local government.

The Committee was advised that the AGS provided a summary of the Council's governance arrangements, reviewed their effectiveness over the past year, and identified any significant governance issues requiring attention. The statement also set out the actions taken in response to previous governance issues and outlined new actions for the year ahead.

It was confirmed that the AGS had been reviewed and updated to reflect developments during 2024/25, including the completion of several actions from the prior year. Where actions had been deferred, this was due to external factors such as the ongoing uncertainty surrounding local government reorganisation (LGR). The Committee noted that the AGS formed part of the Council's annual financial reporting process and was required to be approved prior to the publication of the Statement of Accounts.

Members discussed the report and commented as follows:

- Members reviewed the governance arrangements outlined in the report and considered the progress made against the actions identified in the previous year. There was general support for the structure and content of the AGS, and Members welcomed the inclusion of new actions for 2025/26, particularly the focus on strengthening governance arrangements around budget preparation and monitoring developments in legislation relating to remote meetings and standards.
- Clarification was sought on a section of the AGS which referred to the Audit & Governance Committee's role in scrutinising Cabinet decisions. It was felt that the wording could be misinterpreted and should be reviewed to ensure it accurately reflected the Committee's remit, which is to provide assurance on governance, risk management, and internal control, rather than policy scrutiny. Officers undertook to review the wording and make amendments if necessary.

The AGS was approved, subject to the minor clarification noted.

The recommendation was moved by Councillor Anton Dani and seconded by Councillor Stephen Woodliffe.

Resolved:

That the Annual Governance Statement 2024/25, in Appendix 1 within the report, be approved.

11 Unaudited Financial Statements 2024/25 including Narrative Report

The Deputy Chief Finance Officer (Corporate) PSPSL presented a report which provided Members with an opportunity to review the unaudited Financial Statements for 2024/25 prior to the commencement of the external audit. It was confirmed that the statements had been prepared in accordance with the CIPFA Code of Practice and had been published on the Council's website in line with statutory deadlines. The public inspection period had commenced, and the external audit by KPMG had also begun..

The Committee was advised that the most significant change in the accounts for 2024/25 was the implementation of IFRS 16 – Leases, which required the Council to recognise right-of-use assets and corresponding liabilities on the balance sheet. This had resulted in an increase of £0.822 million in both assets and liabilities, with no impact on the taxpayer.

The Deputy Chief Finance Officer (Corporate) PSPSL highlighted key movements in the Council's financial position, including:

- An increase in the Council's net worth of £17.984 million.
- A rise in short-term investments, largely due to capital grants received but not yet applied.
- Growth in earmarked reserves, reflecting the £1.015 million surplus generated in 2024/25.

The Committee was informed that the surplus had been achieved through a combination of factors, including higher-than-anticipated investment income, as reported in the Annual Treasury Report. The capital programme had also underspent by £5.7 million, with unspent grant funding carried forward for use in future years.

Members discussed the report and commented as follows:

- Members welcomed the clarity of the report and commended officers for producing the accounts in line with statutory deadlines.
- A number of queries were raised in relation to specific elements of the financial statements:
 - Clarification was sought on the reported funding for Boston Railway Station under the Towns Fund, as the figure presented in the statements differed from that referenced in earlier discussions. Officers undertook to investigate and provide a written response.
 - A question was raised regarding the reported pension asset ceiling of £7.925 million and its implications for the Council's financial position. Officers agreed to provide a written explanation
 - Further clarification was requested on the Council's interests in external companies. It was confirmed that the Council held a shareholding in PSPS Ltd but had no other corporate interests.

- A query was raised regarding the debt impairment rate applied to housing benefit overpayments. Officers confirmed that the provision was based on the age and recoverability of debts and undertook to confirm whether the rate had changed from the previous year.
- Members also noted a section in the narrative report which suggested that the Audit & Governance Committee had scrutinised Cabinet decisions. It was agreed that the wording would be reviewed to ensure it accurately reflected the Committee's remit
- Minor typographical issues were noted in the narrative report and would be corrected prior to publication.

The Committee noted the statements and expressed appreciation for the work undertaken by officers in preparing them.

Resolved:

That the report be noted.

12 Budget Preparation 2026/27 - Approach & Process

The Committee received a report from the Interim Director of Finance (S151 Officer) which outlined the proposed approach to preparing the Council's budget for the 2026/27 financial year. The report set out a revised methodology aimed at strengthening governance, improving transparency, and ensuring earlier and more structured engagement in the budget-setting process.

It was explained that the new approach had been developed following feedback from Members and officers involved in the previous year's budget cycle. A number of concerns had been raised regarding the compressed timescales and the reliance on balancing figures in the form of efficiency targets. In response, the revised process would commence in July 2025 and run through to February 2026, allowing for a more iterative and evidence-based approach.

Key features of the revised methodology included:

- The reintroduction of "Star Chamber" sessions, enabling detailed challenge and review of service budgets by senior officers and Members.
- A focus on aligning budget proposals with the Council's strategic priorities and risk profile.
- Improved integration of financial planning with performance management and transformation activity.
- Earlier identification of savings and pressures to support more informed decision-making.
- Provision for public consultation on budget proposals, in line with best practice.

The Committee was advised that the process would also support the development of a more robust Medium Term Financial Strategy (MTFS), with a view to reducing reliance on in-year adjustments and reactive measures. It was noted that the Government had indicated its intention to publish the local government finance settlement earlier than in previous years, which would further support the revised timetable.

Members discussed the report and commented as follows:

- Members welcomed the earlier start to the process and the structured methodology outlined in the report. There was broad support for the reintroduction of Star Chamber sessions, which were seen as a valuable mechanism for enabling detailed scrutiny and challenge of service budgets.
- It was noted that the revised approach would help ensure that budget decisions were evidence-based and aligned with the Council's priorities. Members also welcomed the emphasis on early identification of budget pressures and savings opportunities, which would support more strategic financial planning.
- Clarification was sought on whether the revised process would place additional pressure on officers. It was confirmed that the extended timetable would help to alleviate pressure by spreading the workload over a longer period and allowing for more meaningful engagement at each stage.
- A query was raised regarding the potential impact of Local Government Reorganisation (LGR) on the budget process. It was acknowledged that while LGR remained a significant external factor, the Council was required to proceed on a "going concern" basis and to prepare a balanced budget for 2026/27 in accordance with its statutory duties.

The Committee expressed support for the revised approach and noted the importance of Member engagement throughout the process to ensure robust governance and accountability.

Resolved:

That the report be noted.

13 Work Programme

The Chairman presented the Audit and Governance Work Programme 2025/26 and invited Members to consider whether any additional items should be included.

The Committee supported the inclusion of a dedicated session to review the strategic risk register in detail, which had been proposed earlier in the meeting. It was agreed that this session would be held separately from the formal committee meetings to allow sufficient time for line-by-line scrutiny of risks and mitigation actions. The session was scheduled to take place on 15th September 2025 and would also serve as a refresher on the Council's risk management framework.

The Committee also discussed the potential introduction of a skills matrix for Members, to support future self-assessment and training needs analysis. It was suggested that such a matrix could help identify any gaps in knowledge or experience and inform the development of targeted training opportunities. The Monitoring Officer confirmed that this could be incorporated into the Committee's annual effectiveness review and would be considered as part of the forthcoming self-assessment exercise.

No further additions to the work programme were proposed at the meeting.

Resolved:

That the work programme be noted.

14 Exclusion of Public and Press

The recommendation was moved by Councillor Ralph Pryke and seconded by Councillor Anton Dani.

Resolved:

That under Section 100(A)(iv) of the Local Government Act 1972 the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act (as amended).

15 Review of the Council's Property Fund Investments

The Interim Treasury Manager, PSPSL presented a report which provided a review of the Council's Property Fund Investments. The report considered the performance of the funds, current market conditions, and the implications of recent legislative changes.

Members considered the report and discussed the matters presented. The Committee thanked the Interim Treasury Manager, PSPSL for the report and the information provided.

Resolved:

That the report be noted.

The Meeting ended at 8.35 pm.

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Actions from Audit & Governance Committee meeting on 7th July 2025

	Action	Status / Update	Due Date	Responsible Officer(s)
1	Minute 4 - Actions Action for Officers to clarify how KPIs relate to Parkwood Leisure's contractual obligations.	Complete The response has been circulated to members.	31 August 2025	PP
2	Minute 4 - Actions Action for Officers to provide a response to the previous question raised in respect of street lighting decarbonisation.	Complete The response has been circulated to members.	31 August 2025	AF
3	Minute 6 - Towns Board Capital Projects Action for Officers to clarify the total funding for the Boston Leisure Project.	Complete The response has been circulated to members.	31 August 2025	PP
4	Minute 6 - Towns Board Capital Projects Action for Officers to confirm 18-month closure of Jeff Moulder Leisure Centre.	Complete The response has been circulated to members.	31 August 2025	PP

	Action	Status / Update	Due Date	Responsible Officer(s)
5	Minute 6 - Towns Board Capital Projects / Minute 11 - Unaudited Financial Statements 2024/25 including Narrative Report Action for Offices to clarify Boston Railway Station funding discrepancy.	Complete The response has been circulated to members.	31 August 2025	PP
6	Minute 7 - Internal Audit Annual Report and Opinion 2024/25 Action for Officers to provide written response on insurance service review.	Complete The response has been circulated to members.	31 August 2025	BA
7	Minute 7 - Internal Audit Annual Report and Opinion 2024/25 Action for Officers to formalise follow-up process for limited assurance audits	Complete The response has been circulated to members.	31 August 2025	BA
8	Minute 8 - Quarter 4 Risk Report 24/25 Action for Officers to arrange Risk Register training session scheduled (15 Sept).	Complete This training has been scheduled.	31 August 2025	SR
9	Minute 8 - Quarter 4 Risk Report 24/25 Action for Officers to review the civil contingency risk (BBC06) re: battery storage.	Complete This is included in the Q1 risk report, coming to A&G in October	31 August 2025	SR

	Action	Status / Update	Due Date	Responsible Officer(s)
10	Minute 8 - Quarter 4 Risk Report 24/25 Action for Officers to consider AI-related risks in future risk reviews.	Complete This is included in the Q1 risk report, coming to A&G in October	31 August 2025	SR
11	Minute 8 - Quarter 4 Risk Report 24/25 Action for Officers to provide clearer explanations of risk treatments and scoring in future reports.	Complete This is included in the Q1 risk report, coming to A&G in October	31 August 2025	SR
12	Minute 9 - Annual Treasury Report 2024/25 Action for Officers to submit report to Full Council on 21 July 2025.	Complete The report was submitted to Full Council on 21 st July 2025.	9 July 2025	SH
13	Minute 10 - Annual Governance Statement (AGS) 2024/25 Action for Officers to clarify scrutiny role wording in AGS (p.104).	Complete The response has been circulated to members.	31 August 2025	SR
15	Minute 11 - Unaudited Financial Statements 2024/25 including Narrative Report Action for Officers to explain £7.925M pension asset ceiling.	Complete The response has been circulated to members.	31 August 2025	ES

	Action	Status / Update	Due Date	Responsible Officer(s)
16	Minute 11 - Unaudited Financial Statements 2024/25 including Narrative Report Action for Officers to clarify whether the debt impairment rate had changed from the previous year.	Complete The response has been circulated to members.	31 August 2025	ES
17	Minute 11 - Unaudited Financial Statements 2024/25 including Narrative Report Action for Officers to review the narrative wording in respect of scrutinising Cabinet decisions.	Complete The response has been circulated to members.	31 August 2025	ES
18	Minute 13 – Work Programme Action for Officers to implement skills matrix for committee members.	Complete The response has been circulated to members.	31 August 2025	RJ
19	Additional Action for the Democratic Services to submit the Minutes to a future Full Council meeting.	Complete The minutes were submitted to Full Council on 29 September 2025.	September 2025	RF



Internal Audit Progress Report – September 2025 Executive Summary

Purpose of the report - The Head of Internal Audit is required to provide a written status report to Senior Management and the Committee, summarising internal audit activity:

- Role of Internal Audit.
- The purpose of the report.
- Performance dashboard
- Analysis of 'live' audit reviews.
- Executive summaries limited and no opinions.
- Planning and resourcing.
- Appendix 1 – Overdue management actions

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Internal Audit Progress Report – September 2025

The Head of Internal Audit is required to provide a written status report to Senior Management and the Committee, summarising internal audit activity.

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Role of Internal Audit

The requirement for an internal audit function in local governance 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 and guidance.’

The standards relevant for the financial year 2025/26 relating to proper practices are laid down in the Global Internal Audit Standards, 2024 and the Application Note: Global Internal Audit Standards in the UK Public Sector, 2025.

The role of internal audit is best summarised through the purpose statement contained within the Standards, which states:

“Internal audit strengthens the organisation’s ability to create, protect, and sustain value by providing the board and management within independent, risk-based and objective assurance, advice, insight and foresight.

Internal auditing enhances the organisation’s:

- *Successful achievement of its objectives.*
- *Governance, risk management and control processes.*
- *Decision-making and oversight.*
- *Reputation and creditability with their stakeholders.*
- *Ability to serve the public interest.*

Internal audit is most effective when:

- it is performed by competent professionals in conformance with the GIIA Standards, which are set in the public interest.
- The internal audit function is independently positioned with accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The Purpose of the Report

In accordance with the proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter, the Head of Internal Audit is required to provide a written status report to Senior Management and Members summarising:

- the status of live internal audit reports.
- an update on progress against the internal audit plan.
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Head of Internal Audits annual opinion.

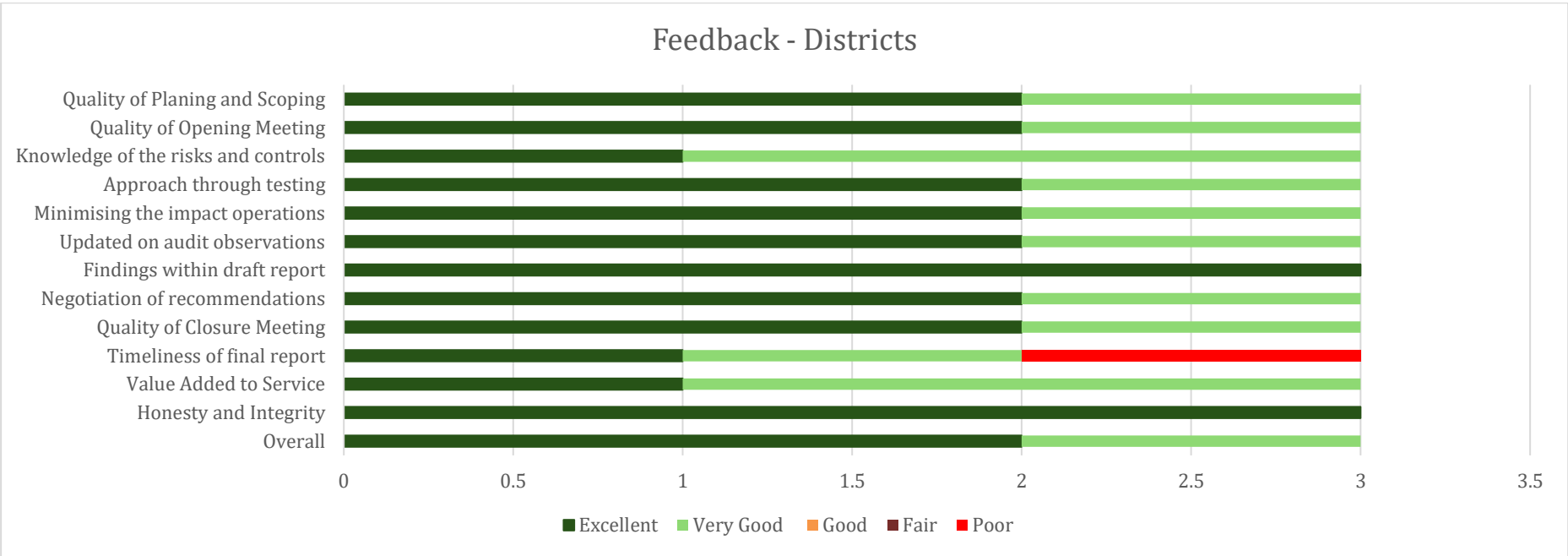
Internal audit reviews culminate in an opinion rating on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A reliable system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Adequate	There is a generally reliable system of governance, risk management and control in place. Some issues of non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks in the achievement of the objectives for the area audited.

Internal quality assurance checks are undertaken at multiple points throughout assurance and advisory reviews. This culminates in the Head of Internal Audit signing off each audit report prior to its release which includes the approval of the final assurance award. This approach provides consistency in assurance ratings and robustness in the level of assurance the committee can take from assurances.

Performance Dashboard

Figure 1



Feedback is an essential aspect of our internal quality assurance programme. Post audit feedback questionnaires (PAQs) are issued after every audit assignment. For completed 2025/26 audits officers provided feedback responses to three of the four requests issued following completed audit assignments. The response rate indicates a lack of management engagement with the feedback process.

Figure 1 shows the feedback received from the risk register review, the values consultancy assignments and ICT Cyber Security. Most of the feedback received has been positive. The one “poor” rating relates to the ICT Cyber Security review, specifically question 15 regarding the timeliness of the report. The client felt that the time between the closure meeting and the issuing of the final report exceeded what they had been told by several weeks. The Internal Audit Manager has reviewed the processes. A third party delivered the specialist audit, and internal audit procedures were not followed due to a misunderstanding of the closure process by the specialist auditors.

Figure 2 audit plan delivery

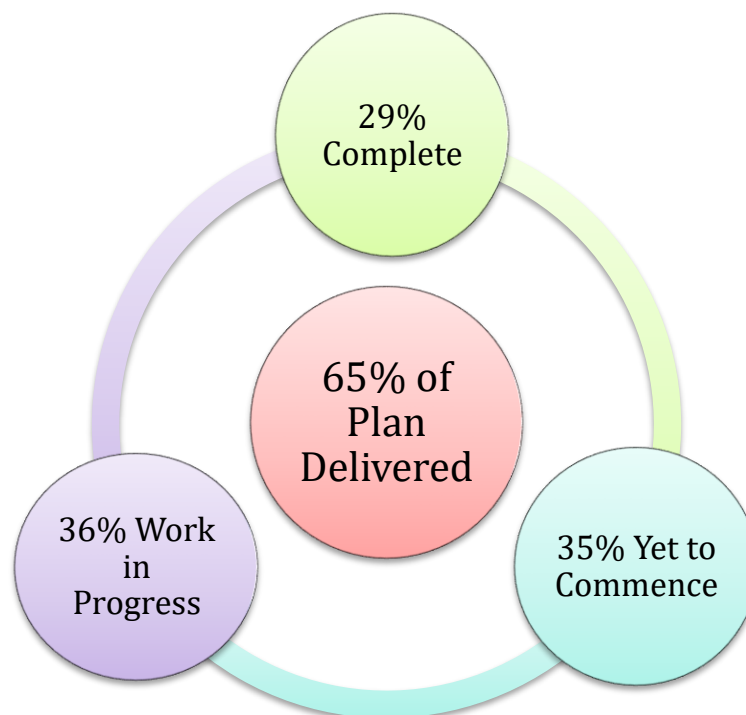


Figure 2 the internal audit plan is progressing in line with expectation with 65% of the plan delivered mid-way through quarter two. Tracking processes are significantly improved along with understanding of the importance of tracking delivery and performance. There are no areas of concern with the current delivery model and staffing structure.

Throughout quarters one and two, the Internal Audit team has remained adequately resourced to deliver the agreed audit plan, advisory engagements and follow up activity. The audit team utilised contingency within the annual audit plan to respond to risk-based needs arising during the year. The team continued to enhance its consulting services, which aimed to provide education, raise awareness, and share lessons learned to support strong governance, effective risk management, and robust control processes.

There has been no recruitment during the current year as the team has no vacancies. All senior auditors are supervised by a qualified and skilled principal auditor. Management and quality processes have been sufficient to monitor conformance with the IIA's Global internal Audit Standards and CIPFA's Application Notes.

Analysis of 'live' Audit Reviews

Table 1

Internal audits in progress				
Assignment Area	Audit Profile	High Level Risks	Completion Due	Audit Sponsor
Capital Budget Monitoring	High	Assurance that effective processes are in place. To confirm that budget managers and financial officers understand and follow the process for effective budget monitoring and management.	August 2025	Section 151 Officer
Administration of Grants.	Medium	Provide assurance on the administration of grants and funds. A fundamental enabler of the council's corporate plan and key priorities. Review delivery, resource and risk management of grant funded programmes.	September 2025	Section 151 Officer
Section 106	Medium	Follow up review to the 24/25 audit to provide assurance on the effective management of S106 agreements, resource capacity and records management.	September 2025	AD - Planning and Strategic Infrastructure
PSPS Contract management	High	Provide assurance on the process and systems in place to contract manage PSPSL. To support that agreed services are delivered and performance managed.	September 2025	Section 151 Officer

Table 2

Draft internal audit reports issued, awaiting management responses				
Assignment Area	Report due to Committee	Management Responses Overdue	Assurance Rating	Audit Sponsor
None	None	None		

Final internal audit reports completed		
Assignment Area	Assurance rating	Findings Summary
Identification and monitoring of savings	Insufficient Controls	The audit was unable to establish sufficient first or second-line controls to test for adequacy and fulfil the agreed assignment scope to provide a reliable assurance rating. Seven key findings were reported with five

		<p>root causes identified. The recommendations included for management to take immediate action to implement effective, formal and management led controls to provide a foundation level for the control environment and that an assurance driven audit is rearranged to provide an update on systems and processes implemented. A repeat audit will be undertaken once sufficient controls have been implemented. This anticipated to be in quarter four.</p>
Risk Register Review	Adequate	<p>The review identified one high, four medium and one low rated finding requiring management action to address. Risk register for Boston Borough Council met core requirements, but several risk entries lacked measurable outcomes, assigned ownership, and strategic objective alignment. Controls and mitigations were inconsistently recorded, with no formal validation process or assessment of effectiveness. Risk appetite was referenced but not formally defined or applied. Training records were unavailable due to the absence of a central tracking system. While oversight, by the Audit Committee and senior leadership was evident, report formats and executive summaries were often unclear or overly detailed. Strengthening documentation, formalising risk appetite, and improving strategic alignment and oversight would enhance risk management effectiveness.</p>
ICT Cyber Security	Adequate	<p>The review identified five medium rated findings requiring management action to address. Cyber security controls across Boston Borough Council were generally well-managed, supported by a formal strategy, ICT roadmap, and structured governance. The IT team had defined roles and processes, with cyber risks reviewed and reported appropriately. A successful ransomware simulation and appropriate network monitoring were noted. Testing identified the absence of documented procedures for threat escalation, undefined remediation timescales, and unresolved vulnerabilities without senior approval. Threat scanning intervals did not align with vendor guidance, and oversight reports lacked full visibility of identified risks. Addressing these areas would strengthen cyber resilience and assurance.</p>
Values (Advisory)	N/A	<p>The review identified seven key findings. Internal Audit identified that Boston Borough Councils commitment to its values framework through the workforce development strategy, though its revision for 2025/26 was delayed. Testing identified that values were not consistently linked to staff conduct codes, and the workforce strategy lacked provisions for accountability or consequences. Induction processes did not include a standard checklist for values training, limiting assurance. Communication methods varied, with some staff missing key information, and appraisals did not require reflection on values. Delays in completing appraisals further hindered performance discussions. Strengthening links between values, conduct, and performance processes would improve consistency and accountability.</p>

Executive Summaries of ‘Limited’ or ‘No’ Assurance Opinions

There have been no finalised limited assurance awards for April to August 2025.

Planning and Resourcing

Table four shows delivery progress against the annual audit plan agreed by the Committee in March 2024. **Table five** show delivery progress for advisory engagements. The team retain a flexible approach to regularly reviewing our plan to ensure we can respond adequately to the council’s risk needs and profile should that change mid-year and agree to share changes or amendments with the audit committee along with risk-based rationale and any arising implications.

The audit team is adequately resourced to deliver the remainder of the audit plan for 2025/26. An annual report and opinion will be presented to the audit committee in July 2026 which will include outcomes all outcomes. It is expected the audit programme will be delivered in its entirety and will be sufficient to inform the annual audit opinion.

Table 4 – Audit plan delivery

Audit Review	Audit Sponsor	Scoping	Audit Objective	Fieldwork	Draft Report	Final Report	Assurance Opinion or Equivalent
ASSURANCE WORK 2024/2025							
Risk Register Review	Monitoring Officer	✓	✓	✓	✓	✓	Adequate
Capital Budget Monitoring	S151 Officer	✓	✓	✓	✓		
ICT Cyber Security	SLT	✓	✓	✓	✓	✓	Adequate
Identification and Monitoring of Savings	S151 Officer	✓	✓	✓	✓	✓	Insufficient Controls Report
PSPS Contract Management	SLT	✓	✓	✓			
Leisure Services Procurement	SLT	✓	✓	✓	✓	✓	Substantial

Funds and Grants Administration and Planning	SLT	✓	✓				
Section 106	SLT	✓	✓	✓			
Health and Safety Actions Implementation	SLT						
Planning	SLT						
Finance Resilience including Skills Capacity and management Code Compliance	SLT						
ICT AI Governance	SLT						
Disability Facilities Grants	SLT						

Table 5 – Advisory assignment delivery

Audit Review	Audit Sponsor	Scoping	Audit Objective	Fieldwork	Draft Report	Final Report	Assurance Opinion or Equivalent
ASSURANCE WORK 2024/2025							
Values	Monitoring Officer	✓	✓	✓	✓	✓	Not Applicable

Appendix 1 Overdue management actions

Table 6 presents the outstanding management actions from 2021/22. The outstanding high management action from 2020/21 has been extended to 31 March 2026. This is due to the income system that is used to take payments being upgraded. Implementation has been delayed. Alongside the upgrade there is a solution for taking card payment over the phone which will support PCIDSS compliance. The extension has been supported. **Table 7** shows those from 2024/25.

Table 6-Management Actions (2020-2021)

Audit Year	Audit	Audit Report Date	Audit Sponsor	Assurance Opinion	Managem ent Actions Total	Managem ent Actions - Closed	Managem ent Actions - Not Due	Managem ent Actions - Follow Up Required	Open Management Actions - Risk Analysis			
									Critical	High	Medium	Low
2021/22	BBC - Key Controls testing	Jun-22	S151 Officer	Substantial	6	5	1	0	0	1	0	0
TOTAL					6	5	1	0	0	1	0	0

Table 7-Management Actions (2024-2025)

Audit Year	Audit	Audit Report Date	Audit Sponsor	Assurance Opinion	Managem ent Actions Total	Managem ent Actions - Closed	Managem ent Actions - Not Due	Managem ent Actions - Follow Up Required	Open Management Actions - Risk Analysis			
									Critical	High	Medium	Low
2024/25	SELCP - SLA's with PSPS	Sep-24	AD, Corporate	Adequate	5	4	0	1	0	0	1	0
2024/25	SELCP - Insurance	Jan-25	S151 Officer	Limited	8	5	1	2	0	3	0	0
2024/25	SELCP - Budget Monitoring - Revenue	Mar-25	S151 Officer	Adequate	4	3	1	0	0	0	1	0
2024/25	SELCP - ICT Cyber Threat Training	Mar-25	AD, Corporate	Adequate	1	0	1	0	0	1	0	0
2024/25	SELCP - Bank Reconciliations	Nov-24	S151 Officer	Limited	3	2	0	1	0	0	1	0
2024/25	SELCP - Housing Benefits and Council	Dec-24	S151 Officer	Substantial	1	0	1	0	0	0	1	0
2024/25	SELCP - Capacity Aims and Priorities	Apr-25	AD, Corporate	Adequate	4	2	1	1	0	0	2	0
2024/25	SELCP - Towns Fund and Capital Progr	May-25	AD, Growth	Adequate	4	1	0	3	0	0	3	0
TOTAL					30	17	5	8	0	4	9	0

The outstanding actions from the 2024/25 reviews for insurance and bank reconciliations will be subject of the new follow up process along with all management actions from 2025/26.

Table 8 below shows all actions now under the new process with internal audit management and oversight. Quarter three will see four of the outstanding actions reviewed for effective implementation and reported as part of the next progress report. A programme of delivery is in place for the current year which will provide the committee with additional detail of the residual risk should management actions remain outstanding after the agreed implementation date or if actions fail to mitigate the finding and associated risk to the council. Future reports will inform the committee on where dates have been extended by management along with their rationale.

Table 8

Audit Year	Audit	Audit Report Date	Audit Sponsor	Assurance Opinion	Management Actions Total	Management Actions - Closed	Management Actions - Not Due	Management Actions - Follow Up Required	Open Management Actions - Risk Analysis			
									Critical	High	Medium	Low
2024/25	SELCP - Insurance	Jan-25	S151 Officer	Limited	8	5	1	2	0	3	0	0
2024/25	SELCP - Bank Reconciliations	Nov-24	S151 Officer	Limited	3	2	0	1	0	0	1	0
2025/26	SELCP - ICT Cyber Security	Jul-25	AD, Corporate, Chief Delivery	Adequate	5	0	5	0	0	0	5	0
2025/26	SELCP - Risk register Review	Aug-25	Monitoring Officer	Adequate	6	0	6	0	0	1	4	1
TOTAL					22	7	12	3	0	4	10	1



Internal Audit Charter

September 2025 Executive Summary

Purpose of the report - The report also contains a revised Internal Audit Charter, amended to reflect the changes from 2024 GIAS. the Charter sets out the role, responsibilities, access and support for the internal audit service.

Recommendation(s):

That the committee:

1. The committee understands and approves the internal audit charter.

The Audit Charter will form the basis of the internal audit service from April 2025 and underpin with work of the audit team.

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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Internal Audit Charter

Purpose

The purpose of the internal audit function is to strengthen Boston Borough Council's ability to create, protect, and sustain value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances Boston Borough Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards and CIPFA Application Note Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The head of internal audit will report periodically to the audit committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Standards of Professional Practice

Authority

The audit committee grants the internal audit function the mandate to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

The audit committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.

- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Boston Borough Council and other specialised services from within or outside Boston Borough Council to complete internal audit services.

Independence, Position & Reporting Relationships

The head of internal audit will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.

Internal Audit will have unrestricted access to all areas of the organisation and information and the Head of Internal Audit has unrestricted access to the audit committee and is free to escalate matters to the audit committee, when necessary, without interference. This supports the internal auditors' ability to maintain objectivity.

The head of internal audit will confirm to the audit committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the head of internal audit will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The head of internal audit will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the head of internal audit, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the head of internal audit, audit committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.
- Significant changes to regulatory or best practice expectations specifically for internal audit. For example, the Internal Audit Code of Practice or CIPFA Application Note Global Internal Audit Standards in the UK Public Sector.

Scope & Type of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all Boston Borough Council's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit committee and management on the adequacy and effectiveness of governance, risk management, and control processes, along with securing value for money for Boston Borough Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Boston Borough Council's strategic objectives are appropriately identified and managed.
- The actions of Boston Borough Council's officers, directors, management, employees, and contractors or other relevant parties comply with Boston Borough Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Boston Borough Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Head of Internal Audit Role & Responsibility

Ethics and Professionalism

The head of internal audit will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Encourage and promote the seven principals of public life, which apply to all public servants including contractors that work within the public sectors.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The head of internal audit will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the head of internal audit determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Boston Borough Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Boston Borough Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the head of internal audit, audit committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The head of internal audit has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the audit committee and senior management. Discuss the plan with the audit committee and senior management and submit the plan to the audit committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the audit committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in Boston Borough Council's business, risks, operations, programs, systems, and controls.
- Communicate with the audit committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit committee and senior management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Boston Borough Council and communicate to the audit committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to Boston Borough Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the audit committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. The head of internal audit may not have any ability to access the work of those assurance providers or gain insight into the scope and timing of their work. Under these circumstances the head of internal audit must consider whether it is possible or practical to co-ordinate. Where they do not co-ordinate, they must set out to the board the barriers which prevent effective co-ordination.

Communication with the Audit committee and Senior Management

The head of internal audit will report annually to the audit committee and senior management regarding:

- The internal audit function's mandate.

- The internal audit plan and performance relative to its plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Report annually on the internal quality assessment including progress against action plans to address instances of non-conformance with The IIA's Global Internal Audit Standards along with action plans to address any internal audit function's deficiencies.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit committee.
- prepare an overall conclusion annually which must provide an overall conclusion on the adequacy of governance, risk management and controls.
- Results of assurance and advisory services.
- Develop a resource strategy which suggests practical approaches for consideration by the board.
- Inform the board of the impact of insufficient resources and any options available to mitigate that impact.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Boston Borough Council's risk appetite.
- Annual assurance opinion for use by the Audit Committee in their annual assurance and governance statement to the Board.
- That the Audit Committee annual report summarises the purpose and mandate of Internal Audit, the function's main activities, and a conclusion on internal audit's impact and effectiveness.
- That the head of internal audit holds either CMIIA, a CCAB qualification, or an equivalent professional qualification which includes training on the practice of internal audit, and suitable internal audit experience.

Quality Assurance and Improvement Programme

The head of internal audit will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and Code of Practice, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the head of internal audit will communicate with the audit committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Lincolnshire County Council; qualifications must include at least one person having the characteristics outlined for head of internal audit and that such a person would normally have an understanding of the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector. These matters must be considered as part of the selection process.

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Report To:	Audit and Governance
Date:	13 th October 2025
Subject:	Quarter 1 25/26 Risk Report
Purpose:	To provide an update on risk as at the end of June 2025
Key Decision:	No
Portfolio Holder:	Councillor Dale Broughton, Leader
Report Of:	John Medler, Assistant Director - Governance
Report Author:	Corey Gooch, Business Intelligence and Change Manager
Ward(s) Affected:	All
Exempt Report:	No

Summary

This is the quarterly report covering risk monitoring information for Quarter 1 of 2025/26 (as at the end of June 2025).

Recommendations

That the committee notes the quarterly risk monitoring information for Q1 of 2025/26

Reasons for Recommendations

The Audit and Governance Committee is responsible for overseeing the effectiveness of the Council's risk management arrangements.

Other Options Considered

Alternative reporting arrangements.

1. Risk management (Appendix A)

- 1.1 The strategic risk register has been reviewed for Q1, as at the end of June 2025. An additional column to track the delivery of actions has been added – Green where actions are on track, Amber where a date for the action needs to be added and Red where actions are off track.
- 1.2 A summary of the risks and scores are set out in the table below, with full details in Appendix A.

In response to recommendations from the recent Internal Audit review of risk management practices, enhancements have been made to the this report to improve clarity and focus on key areas of concern

- **Target Status:** Each strategic risk now includes an indication of whether it is currently being managed at its target level. This addition supports better prioritisation by highlighting risks that require further mitigation to reach their desired state.
- **Mitigation Action Tracking:** The summary also incorporates the status of planned mitigation actions, using a RAG (Red, Amber, Green) rating. This provides assurance that actions are progressing as expected and helps identify where further attention may be needed.

These changes aim to strengthen the Council's oversight of strategic risks and ensure alignment with best practice recommendations outlined in the Internal Audit report.

Boston Strategic Risks	Risk score	Direction of travel	Target Status
BBC02: Health	Medium (9)	↔	At Target Score
BBC03: Local economy	Medium (9)	↔	At Target Score
BBC05: Budget	High (16)	↔	At Target Score
Update in Q1: Budget risk reviews underway, will come forward for Q2			
BBC06: Civil contingency risks	Medium (8)	↔	At Target Score
Update in Q1: Wording reviewed and updated. This risk is being reviewed in relation to battery storage as raised by Cllr Cantwell.			
BBC07: Infrastructure risks	Medium (8)	↔	At Target Score
Update in Q1: Treatment reviewed and updated			
BBC08: Capital Programme	Medium (6)	↔	At Target Score
BBC09: General Fund Assets	Low (4)	↔	At Target Score
BBC10: Cyber Incident	High (15)	↔	At Target Score
BBC11: Technology infrastructure failure	High (10)	↔	At Target Score

Boston Strategic Risks	Risk score	Direction of travel	Target Status
BBC12: Implementation of the Environment Act 2021	High (16)	↔	Not at Target
Update in Q1: Wording and planned action reviewed and updated – On target for mitigations which is the new depot which has been secured.			
BBC13: Introduction of Extended Producer Responsibility	Low (4)	↔	At Target Score
BBC14: Identification and Suitability of future Depot Accommodation	Medium (9)	↔	At Target Score
BBC15: Waste Collection Round Pressures	Medium (6)	↔	Not at Target
Update in Q1: Wording, score and planned action reviewed and updated. Target risk score has been reduced to minimal to reflect future planned mitigations via the round review commencing in August 2025			
BBC16: Capacity	Medium (6)	↓	At Target Score
Update in Q1: Risk likelihood reduced due to existing mitigations and ongoing delivery			
BBC17: Third Party Service Delivery	Medium (9)	↔	At Target Score
BBC18: External Communication	Medium (6)	↔	At Target Score
BBC19: Retention of staff	Medium (8)	↔	At Target Score
BBC20: Service Delivery	Medium (9)	↔	Not on Target
Update in Q1: Not on target but set to be by the due date of end of this financial year, this is to allow time for services reviews to be implemented			
BBC21: Internal Communications	Medium (6)	↔	At Target Score
BBC22: Net Zero target	Medium (8)	↔	At Target Score
BBC23: Business continuity	Medium (9)	↔	At Target Score
Update in Q1: It is proposed this risk is removed as it is a duplication of the civil contingency risks			
BBC24: Health and Safety	Medium (9)	↑	Not on Target
Update in Q1: Risk likelihood has increased from Medium (6) > Medium (9) in Q4 following an increase in overdue outstanding audit actions, however audit actions are being monitored and governed by Director of communities to ensure all audit actions are completed by due dates			
BBC25: Information	Medium (8)	↔	At Target Score
BBC26: Local Plan being considered out of date	Medium (6)	↔	At Target Score
BBC27: Safeguarding	Medium (8)	↔	At Target Score

Boston Strategic Risks	Risk score	Direction of travel	Target Status
BBC28: Local Government Reform (LGR) in Greater Lincolnshire	High (15)	↔	At Target Score
BBC29: Inadequate mitigation of infrastructure risks in the BBC server room	High (12)	New	New

Risk Scoring Matrix						
Impact	Critical		11	10		
	High	9	6; 7; 19; 25; 27		5; 12	
	Medium		4; 8; 18; 21;	2; 3; 14; 15; 17; 20; 23;16;24	29	
	Low		13	26	22	
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
Likelihood						

Risk Score

Minimal Risk

Low Risk

Medium Risk

High Risk

Critical Risk

Colour

1.3 As set out in the risk policy, we use the 4Ts of risk control:

- Terminate – rarely, we may be able to stop doing the activity altogether and thereby remove the risk altogether
- Tolerate – accept the risk and live with it because it is within our risk appetite and the cost of mitigating action would outweigh the benefits
- Transfer – move all or part of the risk to a third party or through insurance; however, sometimes accountability remains, particularly with a Council, so caution is advised
- Treat - take action to control the likelihood and/or impact and set a target to move the risk to within the risk appetite once the action has been implemented

1.4 The strategic risks for the Partnership have also been reviewed for quarter 1, as at the end of June 2025. AI-related risks will be considered during the Q2 risk reviews as requested by Committee.

1.5 A summary of the Partnership risks and scores are set out in the table below, with full details in Appendix B.

SELCP Partnership Risks	Risk score	Direction of travel	Target Status
SELCP-01: Vision	Medium (8)	↔	At Target Score
SELCP-02: Trust	High (12)	↔	At Target Score

SELCP Partnership Risks	Risk score	Direction of travel	Target Status
SELCP-03: Sovereignty	Medium (9)	↔	At Target Score
SELCP-05: Culture	Medium (6)	↔	At Target Score
SELCP-06: LGR	High (12)	↔	At Target Score
SELCP-07: Funding	High (16)	↔	At Target Score
SELCP-08: Staffing	High (12)	↔	Not on Target
Update in Q1: With LGR now looking likely in Greater Lincolnshire a refresh of the Workforce Development Strategy action plan will take place this year to help ensure colleagues have the skills and confidence required to continue to want to work in Local Government post re-organisation: by 31/3/26			
SELCP-09: PSPS	Medium (6)	↔	At Target Score

Risk Scoring Matrix						
Impact	Critical					
	High		1		7	
	Medium		5; 9	3	2; 6; 8	
	Low					
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
Likelihood						

Risk Score

Minimal Risk


Low Risk

Medium Risk

High Risk

Critical Risk

Colour



1.6 The fraud risks have also been reviewed for Q1, as at the end of June 2025.

1.7 A summary of the fraud risks and scores are set out in the table below, with full details in Appendix B.

Fraud Risks	Risk score	Direction of travel	Target Status
1: Asset - Equipment	Minimal (1)	↔	At Target Score
3: Assets – Land and Property	Minimal (1)	↔	At Target Score
4: Procurement – Contracts	Medium (6)	↔	Target TBC
5: Procurement – Contract Payments	Medium (8)	↔	Target TBC

Fraud Risks	Risk score	Direction of travel	Target Status
6: Council Tax – Credit Refund and Income Fraud	Medium (6)	↔	Target TBC
7: Council Tax Fraud	Low (4)	↔	At Target Score
8: Council Tax Support Scheme	Low (4)	↔	At Target Score
9: National Non-Domestic Rate (NNDR) Fraud	Medium (9)	↔	Target TBC
10: Housing Benefit Fraud	Low (4)	↔	At Target Score

Risk Scoring Matrix					
Critical					
High		5			
Medium		4; 6	9		
Low		7; 8; 10			
Minimal	1; 3				
	Rare	Unlikely	Possible	Likely	Almost certain
	Likelihood				

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

2. Conclusion

2.1. The governance reporting and review arrangements support the Council to manage its services in an effective and efficient manner.

Implications

South and East Lincolnshire Councils Partnership

A Partnership approach has been agreed for 2025/26.

Corporate Priorities

Whole report. Performance information is set out by priority.

Staffing

No implications specific to this report. Risks relating to staffing are included in the report.

Workforce Capacity Implications

No implications specific to this report. Risks relating to workforce capacity are included in the report.

Constitutional and Legal Implications

No implications specific to this report

Data Protection

No implications specific to this report

Financial

No implications specific to this report

Risk Management

Section 1 of the report and Appendix A.

Stakeholder / Consultation / Timescales

Consultation with SLT

Reputation

No implications specific to this report. Potential reputational risks are included in the report.

Contracts

No implications specific to this report. risks relating to contracts and procurement are included in the report.

Crime and Disorder

No implications specific to this report.

Equality and Diversity / Human Rights / Safeguarding

No implications specific to this report.

Health and Wellbeing

No implications specific to this report.

Climate Change and Environmental Implications

No implications specific to this report.

Acronyms

- 2Y: 2 year rolling period
- A&G: Audit & Governance Committee

- B&B: Bed & Breakfast accommodation
- BAU: Business As Usual
- CC: Customer Contact
- DD: Direct Debit
- EAP: Employee Assistance Programme
- KPIs: Key Performance Indicators
- LGR: Local Government Reorganisation
- OFLOG: Office for Local Government
- Q: Quarterly (Q1: April to June; Q2: July to September; Q3: October to December; Q4: January to March)
- NDR: Non-domestic rates (business rates)
- R&B: Revenues & Benefits
- SLA: Service Level Agreement
- SLT: Senior Leadership Team
- YE: Year End (April to March)

Appendices

Appendices are listed below and attached to the back of the report:

Appendix A	Q1 BBC Risk Registers
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Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

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Ref	Risk name	Risk description	Lead	Cause/s	Potential impact/consequences	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Action RAG	Target risk likelihood	Target risk impact	Target risk score	Changes since last update
BBC02	Health	The risk of long term health issues on local people; the opportunity to work with health partners to address these	AD-CHS	Long term health issues in the local population; Deprivation;Wider determinants of health; Access to services	Poor health outcomes; Increased costs to local health services; Unsustainable health services.	The opportunity to work with health and wider system partners to address long term health issues and deprivation, to raise awareness and promote good health, to support the sustainability of local health services. Close working with LCC Public Health, VCS and wider system partners to ensure appropriate support and treatment measures are carried out.	3	3	Medium (9)	Tolerate	Continue to implement the Healthy Living Action Plan	N/A	3	3	Medium (9)	
BBC03	Local economy	Risk to local businesses, lack of growth, lack of inward investment and tourism; opportunity to encourage growth and stimulate the local economy	D-ED	Continuing impact of general wider economic impact on businesses and the local economy; Increasing costs, including fuel costs; Lack of buses, particularly in rural areas, and increasing costs of travel	Struggling/failing local businesses; Stagnating local economy; Lack of inward investment; Low skills and aspirations; Low visitor numbers; Future sustainability of the Town Centre - retail, evening economy, housing, heritage, culture, leisure, events, car parking; Community perceptions. Threat to infrastructure, local services and housing	Town Deal and Levelling Up projects; Emergency Planning Team represented on County Wide LRF Group looking at issues of winter pressures / cost of living and industrial action.	3	3	Medium (9)	Tolerate	Continue to implement the Growth and Prosperity Plan	N/A	3	3	Medium (9)	
BBC05	Budget	Risk around the long term balancing of the budget with economic and funding uncertainty	D-F	Reduction of government funding; Reduction in income; Capital expenditure; Impact of Internal Drainage Board (IDB) levy; Inflation; Fuel shortages; Ukraine conflict	Lack of money and lack of certainty going forward; Failure to balance budget in future years	Medium Term Financial Strategy; Budgetary process; Sound level of reserves; Continued close monitoring; Continued lobbying regarding the IDB pressure. Savings and Efficiency Plan developed to support the MTF5	4	4	High (16)	Tolerate	Continued controls, monitoring and reporting	N/A	4	4	High (16)	
BBC06	Civil contingency risks	Community risks shared across Lincolnshire, managed in partnership with the Lincolnshire Resilience Forum (LRF) and through S&ELCP	AD-R	Any incident/emergency that requires a response from the council as a category 1 responder under the civil contingencies act	Failure in service delivery; Impact on local people; Reputational damage; Detrimental economic impact on business; inability to support partners during an incident through LRF structures	Community Risk Register monitored by the Lincolnshire Resilience Forum (LRF); Work with partners to assess, monitor, train, plan and exercise to enable effective response to and recovery from an incident. Strategic and Tactical Out of Hours duty rota in place. S&ELCP providing resilience for response and recovery from emergencies/incidents affecting a single council. Strategic Management Group in place to monitor performance and report to LT Governance. Partnership Emergency Plan in place for the Sub-region. Business Continuity Plans in place for all critical services across the S&ELCP. Partnership resilience manager appointed and in place from 1st August	2	4	Medium (8)	Tolerate	Continued partnership working with the Lincolnshire Resilience Forum (LRF). Alignment of service support, plans, procedures and policies across the S&ELCP to aid resilience and share learning. Joint Emergency Plan and Business Continuity Plans in place. PSPS have also aligned BC Plans to S&ELCP. BC Policy to be developed in 25/26 together with the establishment of a BC Steering Group with Terms of Reference to align with ISO22301 Business Continuity Management System		2	4	Medium (8)	Wording reviewed to also highlight Partnership resilience manager appointed and in place from 1st August. No changes to scoring/targets considered necessary
BBC07	Infrastructure risks	Risks to infrastructure - roads, rail, waste management, water supply, energy, digital connectivity	D-ED	Lack of investment, upgrade and development into infrastructure, broadband/digital connectivity, highways/public transport; Increased demand on infrastructure from population growth and rapid urbanisation	Impact on health, the economy and businesses; Opportunity to generate employment and boost living standards; Opportunity to encourage inward investment.	Sub-regional focus and briefings; Support with the evolution of ideas and solutions; Scrutiny Committee looking at the theme of highways/public transport.	2	4	Medium (8)	Tolerate	Continue to implement the Growth and Prosperity Plan	N/A	2	4	Medium (8)	Treatment reviewed and updated
BBC08	Capital Programme	Failure to deliver Major capital schemes within the capital programme	D-PD	Escalating costs Onsite issues Grant funding withdrawal Non-compliance of grant funding obligations Insufficient Pre-project planning and specs (Brief-Creep) Partners withdrawal	Reputational Damage Financial impact Failure to deliver council objectives Reduced ability to secure future funding	Robust programme and project management; Regular and structured reporting mechanisms; Robust and effective governance (financial and project); Effective working with partners and 3rd Party delivery; Risk transference and mitigation; Requesting extra funding prior to project commencement where required	2	3	Medium (6)	Tolerate	Continued robust project management	N/A	2	3	Medium (6)	
BBC10	Cyber Incident	The risk of the council's ICT infrastructure being severely impact as the result of a cyber incident, both in terms of downtime of systems and loss of data/information.	AD-C	The threat landscape across the UK is continuously increasing and appears on the national risk assessment. The Council need to constantly adapt in its security mitigation and training to ensure they are both prepared from a technical and from a people aspect	Theft of corporate information theft of financial information (eg bank details or payment card details) theft of money disruption to service provision loss of business or contract loss of trust in customers/residents and partners	Defence in depth in the form of firewalls, Mimecast and antivirus is deployed both at the perimeter and the internal Local Area Network. The ICT team play an active part in the East Midlands WARP (Warning, Advice and Reporting Point) which allow us to have early sight of issues being experienced across neighbouring Authorities and Agencies. ICT is also a member of the CISP formed by the National Cyber Security Centre, this allows us early awareness from the central agency responsible for cyber threats across the UK as well as allowing them to monitor our environment to a degree. These mitigations afford ICT awareness of emerging threats. We are about to commission an external validation of our cyber response plan for ICT. We have also recently enabled and implemented further cyber security controls within Mimecast which will ensure further mitigation in this area is in place.	3	5	High (15)	Tolerate	Continued robust cyber security and training	N/A	3	5	High (15)	
BBC11	Technology infrastructure failure	The loss of ICT impacting upon the organisation to operate effectively and deliver services to residents.	AD-C	Human error, Power failure, Security, Hardware, Link failure	The Council relies heavily on the ICT infrastructure for normal business operation. Whilst resilience is built into the environment, the loss of a service is always possible. Depending on the service lost, the impact could be severe	The Council has a series of resilience arrangements in place through its service provider, PSPS. Work is continuous to ensure these are fit for purpose across a range of areas. As part of business continuity planning, services are considering in detail how they would continue to operate should an ICT outage occur	2	5	High (10)	Tolerate	Regular review of resilience arrangements	N/A	2	5	High (10)	
BBC12	Environment Act	The legislation will have an impact on the way that waste services are delivered, and will require operational changes. Changing service delivery requires financial support, and although some New Burdens has been made available information has not been provided to date on the ongoing New Burdens revenue funding to meet the additional cost of service delivery.	AD-N	The Environment Act 2021 allows the UK to enshrine better environmental protection into law. It provides the Government with powers to set new binding targets, including for air quality, water, biodiversity, and waste reduction. This will change and impact the way environmental services are currently delivered	Failure to comply with legislation Negative effect on climate both locally and globally	A SELCP Waste Improvement Programme Board (WIPB) is established and comprises lead members from Neighbourhoods and PSPS services. The WIPB meets monthly for progress updates. A Programme Manager has been recruited to support the WIPB. Additionally the authorities comprising the Lincolnshire Waste Partnership work together to identify the impact of the Environment Act across the county, and make preparations for changes to service delivery.	4	4	High (16)	Treat	WIPB reports to SLT (Major Projects Board) and Cabinet. Project plan in place. Attending regular Defra Webinars. Pending Spending Review regarding New Burdens payments. Depot extension agreed to accommodate increased vehicles. Review and update every quarter.	6/30/2025	3	3	Medium (9)	Wording and planned action reviewed and updated; quarterly review and update of planned actions.
BBC15	Waste Collection Round Pressures	Increased housing growth has led to an increase in the amount of waste presented for collection each week, putting pressure on the service.	AD-N	Housing growth Increased waste from more residents at home	Increase in missed collections Reputational Damage Failure to increase Garden waste and commercial services Staff Absence Budget Implications	Round review will form part of rounds revision as a result of food waste collection. Hire in Vehicles to enable waste collection	3	3	Medium (9)	Treat	Round review starting August 2025. Cabinet decision made to withdraw side waste policy once food waste introduced.	1/9/2025	2	2	Low (4)	Wording reviewed and updated; target risk reduced from medium to minimal.

Ref	Risk name	Risk description	Lead	Cause/s	Potential impact/consequences	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Action RAG	Target risk likelihood	Target risk impact	Target risk score	Changes since last update
BBC16	Capacity	Capacity to deliver the work programme for the Partnership/Councils	AD-C	The workload increasing to a point where it becomes unmanageable within existing staff resources.	Delivery of work programme slipping. Staff wellbeing concerns. Disruption to services. Reputation reduced with partners.	Alignment and Delivery Plan in place to help manage the work programme. Services when bringing forward new initiatives to consider the capacity required and the need to bid for capacity if it can't be accommodated within existing resources. Council report templates have a specific section on capacity. Services have been informed they can bid into the transformation reserve for short term capacity if they have a suitable proposal. Resourcing is tracked via the Assistant Director quarterly survey so concerns regarding capacity can be escalated to Leadership Team. Recent audit which linked to Capacity, Aims and Priorities gave 'Adequate Assurance'.	3	3	Medium (6)	Tolerate	Encourage Services to consider the transformation/capacity reserve for short term support where existing service capacity isn't sufficient.	3/31/2025	3	3	Medium (9)	Risk lilekhood reduced due to existing mitigations and ongoing delivery
BBC17	Third Party service delivery	Risk around resilience and quality of service delivery arrangements with third parties	AD-C	This risk relates to the potential for the failure of of a major supplier of Council services or partners with whom the Council co-delivers/enables provision of services and operations	In the event of a failure, either in resilience or quality, there are likely to be a mix of financial, service delivery and reputational impacts to the Council.	Regular performance reports and monitoring meetings with third parties. Some key partnerships based on open book approach to financial monitoring. Regular contract meetings in place to manage risk. SELCP approach to some contracts provides resilience.	3	3	Medium (9)	Tolerate	Continued monitoring and reporting	N/A	3	3	Medium (9)	
BBC18	External Communication	Poor quality external communication with stakeholders, residents and the wider public impacts upon the council's reputation and its ability to effectively deliver services	AD-C	Low frequency of communications No communication from senior leadership team Failure to understand residents needs	Lack of awareness of partnership and councils delivery and plans Failure to gauge residents needs and interests	External communications are quality checked by the Communications Team to ensure that the messaging is effective and relevant to its audience. The team also gather statistics across a range of areas to understand how much interaction is being achieved through social media channels, for example, and adapt messages and channel shift to ensure messages are being heard and well received. Recently we have adopted an engagement charter across the partnership.	2	3	Medium (6)	Tolerate		N/A	2	3	Medium (6)	
BBC19	Retention of staff	The recruitment of new and retention of existing staff within the organisation affecting the ability for the organisation to deliver and meet its objectives	AD-C	Recruitment challenges across region Specialist role recruitment can be difficult Competitive salaries offered at other organisations Uncertain financial climate	Failure to recruit Lack of resources Additional pressure on existing staff	The workforce strategy is aligned across the 3 Councils. A training programme is in place to assist with both personal and professional development and to further develop the talents of individual employees. This programme sits alongside a package of personal support for staff. Managers are encouraged to have regular 'one to ones' with staff to ensure that they are fully supported in their roles. Appraisal process in place. We have launched our own recruitment academy which seeks to recruit and develop apprentices specifically in those services where it is harder to recruit. The new managers development programme has launched, with the first cohort inducted. We also continue to have in place our Future Leaders' Programme to support colleagues in their career development. Corporate Management Team invest time in mentoring colleagues within the organisation through both of these development programmes.	2	4	Medium (8)	Treat	A refresh of the Workforce Development Strategy action plan will take place this year to help ensure colleagues have the skills and confidence required to continue to want to work in Local Government post re-organisation: by 31/3/26	3/31/2026	2	4	Medium (8)	Wording and planned action reviewed and updated
BBC20	Service Delivery	The risk to service delivery, impacting residents and partners we work with.	AD-C	Lack of training Lack of leadership No resources/budget Communication failure Poor performance Innefective governance Lack of learning/feedback	Failure to meet needs of residents and partners Negative feedback and press coverage Reputational damage	Staff resources maximised under the Partnership. Working with external partners to deliver shared priorities. HR support on recruitment and retention. Training plans. Values & behaviours work; Annual Delivery Plan, Workforce Development, policies, and procedures.	3	3	Medium (9)	Treat	A number of service reviews are progressing at the moment which seek to increase resilience and support service delivery to all Councils. These will be considered by Councils in Q4. Review at year-end 31/3/25.	3/31/2025	2	3	Medium (6)	
BBC21	Internal Communications	The risk is that internal colleagues do not fully understand the aims and ambitions of the partnership and the role they play in the partnership's success.	AD-C	Low frequency of communications No communication from senior leadership team Lack of engagement from partners/PSPS Failure to understand staff needs/feedback	Staff do not feel informed Reduction in morale/engagement High turnover Lack of service delivery	Internal communications approach has been reviewed. There isn't a one size fits all approach for the Council/Partnership given the breadth of services provided and this is reflected in the internal communications model. Staff informed levels are monitored through the performance framework on a quarterly basis with the results being considered by scrutiny and Cabinet. Regular all staff bulletins with key information are issued. Regular videos from Senior leadership team to the workforce. Briefings on key corporate topics take place. Regular team meetings between service managers and their officers to cascade information. Monthly service manager meetings. Single Partnership Intranet in place	2	3	Medium (6)	Tolerate	Satisfied with level of mitigation, however, will continue to keep communications channels under review.	N/A	2	3	Medium (6)	
BBC23	Business-continuity	Risk around business continuity and recovery in the event of a major incident or event	AD-R	The Council has a central role to play in the response to a major incident or event in the community and the subsequent recovery phase. The risk of flooding, both coastal and inland is increasingly recognised as one of the most significant and 'likely' events. There are also internal incident and events which could impact on the Council's operations directly (e.g. cyber attack, IT infrastructure failure, building fire).	In the immediate response phase to an emergency in the District, the "Blue Light" services will take the lead with the Council taking the lead role in the subsequent recovery phase. There could be significant impact on service delivery and potentially Council finances as well as the ability to support the LRF in a regional emergency situation.	The establishment of the S&ELCP has increased the resilience and capability of the 3 partner councils. Resources can be more easily shared and procedures and policies are being joined up to make our response to and recovery from an incident more resilient, efficient and effective. A strategic group meets regularly, including representation from PSPS, with minutes and actions reported to LT Governance for awareness. The S&ELCP has a Strategic and Tactical duty role with personnel trained to a minimum standard set by the LRF. All three councils are members of the LRF enabling access to expertise held by LCC whilst retaining staff, resources and expertise in each sovereign council within an EP&BC structure across the Partnership. Staff are regularly involved in training exercises delivered by the LRF and coordinated at County level to maximise preparedness. We have a Partnership Emergency Plan & critical services have Business Continuity Plans in place to prioritise and maintain service delivery in times of emergency. Public Sector Partnership Services (PSPS) and Magna Vitae have Business Continuity Plans in place.	3	3	Medium (9)	Tolerate	Continued partnership working with the Lincolnshire Resilience Forum (LRF). Alignment of service support, plans, procedures and policies across the S&ELCP to aid resilience and share learning. Joint Emergency Plan and Business Continuity Plans in place. PSPS have also aligned BC Plans to S&ELCP. BC Policy to be developed in 25/26 together with the establishment of a BC Steering Group with Terms of Reference to align with ISO22301 Business Continuity Management System	N/A	3	3	Medium (9)	It is felt that this risk should be removed as it duplicates the civil contingencies risk which has recently been updated.
BBC24	Health and Safety	Risk of failure to comply with Health and Safety requirements	AD-R	The Council has a clear responsibility to both staff and recipients of services under Health and Safety legislation and needs to effectively manage its responsibilities.	There can be consequences to the organisation's finances and reputation relating to non-compliance of health and safety requirements. There is also the risk of harm to individuals.	The establishment of the S&ELCP has increased the resilience and capability of the 3 partner councils. Resources can be more easily shared across the sub-region and procedures and policies are being harmonised, with assistance from PSPS, to provide a more efficient and effective approach towards H&S compliance. The partner Councils receive specialist Health and Safety advice from Public Sector Partnership Services who support the Partnership Health and Safety Governance Group (chaired by the Assistant Director – Regulatory) and each sovereign council Staff Health and Safety Forum. Both operate under agreed terms of reference and feed into the LT – Governance. LT Governance receive minutes and recommendations for approval from the Governance Group and the staff Forums. Policies and procedures are revised by PSPS, consulted upon through Staff H&S forums before being relieved and approved by the Governance Group and referred to LT Governance for information. Health and Safety is included within Internal Audit's annual audit plan.	3	3	Medium (9)	Treat	Continued monitoring and reporting through Staff H&S Forums, Partnership H&S Governance Group and LT Governance. Internal audits and Groups provide the opportunity to share learning across each entity Director of communities is hosting fortnightly health and safety clinics with managers of outstanding actions to accelerate closure and completion. Objective is to reduce overdue outstanding actions to zero.		2	3	Medium (6)	Risk lilekhood has increased following an increase in overdue outstanding audit actions relating to Health and Safety planned audits and inspections. Health and Safety clinics now established as a means to mitigate risk.

Ref	Risk name	Risk description	Lead	Cause/s	Potential impact/consequences	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Action RAG	Target risk likelihood	Target risk impact	Target risk score	Changes since last update
BBC25	Information	Risk of failure to comply with Information Governance and Management requirements	AD-G	Increased understanding of the public's right to information means that we have to be fully aware of our legal duties. The increase in data also means we have to be able to manage information more effectively, including reducing the amount of unnecessary data held.	Data protection breaches which can result in significant fines from the Information Commissioner's Office.	All employees receive annual online training in data protection. Arrangements are in place to ensure that the organisation is compliant with the new General Data Protection Regulation (GDPR) requirement, including lead staff attending training. PSPS also have a lead officer overseeing compliance. An experienced Data Protection Officer is in place who monitors training, compliance and development of policy; also, full assessment of any breaches, providing recommendations for continual improvement. There is now additional resilience with two qualified DPOs in place across the Partnership which allows for cover.	2	4	Medium (8)	Tolerate	Continued monitoring, reporting and training	N/A	2	4	Medium (8)	
BBC26	Local Plan	The South East Lincolnshire Local Plan (2019) seeks to support proposals which assist in the delivery of economic prosperity and some jobs in Boston across the Plan period. Risk relates to failure to deliver an updated version of the local plan.	AD-PSI	Failure to adopt in time (stopping/pausing) Out of date evidence base Failure to understand housing need Issues with site selection processes Poor co-operation and engagement Misalignment with development management policies Local plan out of date	Lack of economic growth and inward investment Lack of new jobs and opportunity Failure to attract residents from outside of the district	Monitoring of the Plan policies. Taking of decision on planning applications. Review of the Local Plan where necessary.	3	2	Medium (6)	Tolerate	Continued monitoring and reporting	N/A	3	2	Medium (6)	
BBC27	Safeguarding	Risk of failure to deliver safeguarding children, young people and vulnerable adults responsibilities	AD-CHS	The Council has statutory duties in relation to safeguarding. Section 11 of the Children Act requires a regular audit to assess our capacity to respond appropriately and identify improvements needed. The Council also has statutory duties to safeguard individuals and communities in relation to the Care Act 2014, the Mental Capacity Act 2005, Modern Slavery Act 2015 and in relation to Prevent.	In relation to non-compliance there are potentially significant reputational risks to the Council	Lead Officer and Deputies identified, with Portfolio Holders engaged. The Safeguarding Policy and Procedures have been reviewed. The lead officer liaises regularly with other District Councils and external agencies. Team leaders identify relevant actions and staff training in their service plans. Human Resources supports safer recruitment (including DBS checks) and training for officers, volunteers and councillors. An incident reporting mechanism is in place to monitor the Council's responses. Wellbeing Lincs Service has provided a countywide response and support service for vulnerable and clinically vulnerable residents. Safeguarding was a key focus of a report to LCC during the Covid response. The District Councils and County Council continue to meet to collaborate and discuss matters around safeguarding policy and procedures.	2	4	Medium (8)	Tolerate	Continued monitoring, reporting and training	N/A	2	4	Medium (8)	
BBC28	Local Government Reform (LGR) in Greater Lincolnshire	LGR would lead to the creation of new Councils to replace existing Councils	AD-C	English Devolution White Paper	If LGR proceeds, there will be a period of uncertainty for Members, Officers and the community.	Regular staff and member briefings are taking place to share the latest information.	4	3	High (12)	Tolerate		N/A	4	3	High (12)	
BBC29	Inadequate mitigation of infrastructure risks in the BBC Server Room	There has been a significant delay in addressing known infrastructure risks associated with the BBC Server Room, including a high fire risk. Despite early identification and funding approval, the project to relocate or upgrade the server room has not progressed due to previous instructions to halt the initiative. The issue has since dropped off key governance agendas and lacked momentum, increasing the likelihood of operational disruption or data loss.	AD-C	Despite early identification and funding approval, the project to relocate or upgrade the server room has not progressed due to previous instructions to halt the initiative.	Loss of critical ICT infrastructure and services Disruption to council operations and service delivery Reputational damage Financial loss due to emergency response or data recovery Non-compliance with health and safety obligations	Support from new Administration to continue with the project Confirm and commit to a delivery timeline (targeting Q4) Monitor progress through the Strategic Risk Register	4	3	High (12)	Treat		N/A	3	2	Medium (6)	New Risk

Ref	Risk name	Risk description	Lead	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Action RAG	Target risk likelihood	Target risk impact	Target risk score	Changes since last update	Commentary
SELCP-01	Vision	A lack of clear and shared vision; the reasons for shared management and sharing of joint services	AD-C	The partnership exploration phase developed this understanding. Engagement with members to ensure the objectives of the business case were clearly understood, through the proposal recommendations, scrutiny process and final Council decisions. Adoption of a Sub-regional Strategy across the Partnership to embed shared vision, objectives and priorities. Quarterly stakeholder board meetings are underway which focus on ensuring the vision of the partnership is clear and aligned.	2	4	Medium (8)	Tolerate		N/A	2	4	Medium (8)		
SELCP-02	Trust	A poor relationship or lack of trust between members, leaders or senior staff	CX	Openness, transparency and accessibility for all groups. Building on the existing positive relationships between Members and Officers	3	3	Medium (9)	Tolerate		N/A	3	3	Medium (9)		
SELCP-03	Sovereignty	Concerns around the loss of sovereignty of a council	AD-G	Each Council continues to be governed by its own Constitution which is a key principle of the Memorandum of Agreement between the three Councils.	3	3	Medium (9)	Tolerate		N/A	3	3	Medium (9)		
SELCP-05	Culture	A fundamental difference in the organisational culture of the councils	AD-C	Expectation, set out in the business case, that many things will be similar. A commitment to use the best elements of each partner's cultural difference, for example in the Partnership Workforce Development Strategy. Culture is a key consideration as part of the development of shared teams.	2	3	Medium (6)	Tolerate	Future work taking place around workforce terms and conditions and shared officer pay.	N/A	3	3	Medium (9)		
SELCP-06	LGR	Local Government Reorganisation (LGR)	CX	The South East Lincolnshire Councils Partnership is designed to have a positive influence should Local Government Reorganisation be required of Lincolnshire. The partnership strengthens the case for 'locally-led deals' which benefit South East Lincolnshire	4	3	High (12)	Tolerate		N/A	4	3	High (12)		
SELCP-07	Funding	Local Government Funding	D-F	Local Government funding challenges are inevitable and evidenced by each partner's funding gaps. The business case assumes a shared opportunity for efficient services and shared commercial opportunities and provides a significant opportunity to respond to this on-going challenge.	4	4	High (16)	Treat	Delivering on the opportunities identified in the Partnership business case and realising the planned savings; savings tracker reported regularly; review at year-end 31/3/25	3/31/2026	3	3	Medium (9)		
SELCP-08	Staffing	Staff retention and resilience	AD-C	<p>The workforce strategy is aligned across the 3 Councils. A training programme is in place to assist with both personal and professional development and to further develop the talents of individual employees. This programme sits alongside a package of personal support for staff. Managers are encouraged to have regular 'one to ones' with staff to ensure that they are fully supported in their roles. Appraisal process in place. We have launched our own recruitment academy which seeks to recruit and develop apprentices specifically in those services where it is harder to recruit. The new managers development programme has launched, with the first cohort inducted. We also continue to have in place our Future Leaders' Programme to support colleagues in their career development. Corporate Management Team invest time in mentoring colleagues within the organisation through both of these development programmes.</p> <p>Alignment and Delivery Plan in place to help manage the work programme. Services when bringing forward new initiatives to consider the capacity required and the need to bid for capacity if it can't be accommodated within existing resources. This matter was discussed at a recent internal conference for senior managers, email appears to be the biggest pressure and services are considering how they best manage this. Services have been informed they can bid into the transformation reserve for short term capacity if they have a suitable proposal.</p>	4	3	High (12)	Treat	<p>Encourage Services to consider the transformation/ capacity reserve for short term support where existing service capacity isn't sufficient. Review at year-end 31/03/25.</p> <p>Seek to improve the employee benefits packages by Q2 25/26;</p> <p>Continue to promote opportunities to work in the sector through the SELCP Academy.</p> <p>With LGR now looking likely in Greater Lincolnshire a refresh of the Workforce Development Strategy action plan will take place this year to help ensure colleagues have the skills and confidence required to continue to want to work in Local Government post re-organisation: by 31/3/26</p>	3/31/2026	3	3	Medium (9)		
SELCP-09	PSPS	Relationship with PSPS	AD-C	The Partnership's relationship with PSPS could become strained due to demands being placed on the company to support organisational change. This is mitigated via SLAs being in place setting out the work programme, regular client liaison meetings, PSPS Stakeholder Board being in place to direct the company strategically and a process for Additional Work Requests that manages additional work required by the company. I think its medium but reduced to a low due to the mitigation	2	3	Medium (6)	Tolerate	Continued monitoring and liaison	N/A	2	3	Medium (6)		

Ref	Risk name	Risk description	Lead	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Target risk likelihood	Target risk impact	Target risk score	Changes since last update
F-01	Assets - Equipment	Selling asset for less than market value; Collusion between staff and purchaser; Disposal of assets no longer required by the council	AD-GFA	Asset Disposal policy -within constitution; Asset register; Financial Regulations; Anti-Fraud & Corruption Strategy; Staff counter-fraud training; Segregation of duties - includes systems administration,raising and authorising of financial procurements; Internal Audit reviews; Whistleblowing Policy; Register of Gifts& Hospitality & Register of Interests; Counter-fraud page on website detailing how public can report fraud; Counter Fraud section on intranet; Financial Regulations training for all appropriate staff	1	1	Minimal (1)	Tolerate	N/A	1	1	Minimal (1)	
F-02	Assets- land and Property SHDC	Selling asset for less than market value; Collusion between staff and purchaser - may include provision of insider knowledge (e.g. planning, leases& covenants)	AD-GFA	Asset Management Plan; Asset register; Segregation of duties; Independent valuation or auction; Financial Regulations; Anti-Fraud & Corruption Strategy; Staff counter-fraud training; Internal Audit reviews; Whistleblowing Policy; Register of Gifts & Hospitality/Register of Interests; Credit checks on potential purchasers; Counter-fraud page on website detailing how public can report fraud; Counter Fraud section on intranet	2	2	Low (4)	Tolerate	N/A	2	2	Low (4)	
F-03	Assets- land and Property ELDC and BBC	Selling asset for less than market value; Collusion between staff and purchaser - may include provision of insider knowledge (e.g. planning, leases & covenants)	AD-GFA	Asset Management Plan; Constitutional Guidance for Asset Disposal; Legal Framework; Scheme of delegation for officers; Asset register; Segregation of duties; Independent valuation or auction; Financial Regulations; Anti-Fraud & Corruption Strategy; Staff counter-fraud training; Internal Audit reviews; Whistleblowing Policy; Register of Gifts& Hospitality/Register of Interests; Credit checks on potential purchasers; Counter-fraud page on website detailing how public can report fraud; Counter Fraud section on intranet	1	1	Minimal (1)	Tolerate	N/A	1	1	Minimal (1)	
F-04	Procurement - Contracts	Credit/procurement cards; manipulation of accounts; false invoices & claims; BACS fraud - fraudulent change of bank details; mandate fraud; fake details for internet payments	PSPS - Finance	Financial Regulations; Anti-Fraud & Corruption Strategy- last reviewed March 2021, due this March for a review; Whistleblowing Policy Confidential Reporting Code -due in March; Segregation of duties for reconciliation; Reconciliation; Escalation of highvalue invoices; System team audited and logged; PCards- No cash withdrawals and card limits. Following P Card Review updated training issued. Process re-evaluated for checking transactions and receipts; Minor petty cash; Counter fraud training for the staff; Transparency reporting; Financial reporting training for all staff to be rolled out 2024; Segregation of duties within AP; confirmation with company regarding change of bank details; reconciliation; staff training	2	4	Medium (8)	Treat	Actions from P card audit - follow up audit will re-assess	TBC	TBC	TBC	
F-05	Procurement - Contract Payments	Bribery of officers or Members involved in contract award; Collusion between officers and contractors involved in tendering; Violation of procedures; Manipulation of accounts; Asset Misappropriation; Fictitious requirement; Bid rigging & cartels; Failure to supply; Failure to supply to contractual standard; Inflating performance information to attract greater payments; Bid suppression; Price fixing; Bid rotation; Fictitious vendor	PSPS - Procurement	NAFN & fraud alerts; Contract procedure rules; Financial Regulations; Contract management; Contract Terms & Conditions; Code of Conduct; Whistleblowing policy; Register of Gifts & Hospitality/Register of Interests; Anti-Fraud & Corruption Strategy; Staff counter-fraud training; Internal Audit reviews; Separation of duties; Etender system - single login provides an audit trail; Contract management training; Transparency Code 2014 and Transparency agenda; CIPFA guidance - Managing the Risk of Procurement Fraud; Minimum quote dependant on value; Valuation methodology; Breach of contract clauses; Instant terminations; Self certificated questionnaires	2	4	Medium (8)	Treat	Ongoing training and support provided by the procurement team to service areas	TBC	TBC	TBC	

Ref	Risk name	Risk description	Lead	Existing control measures in place	Current risk likelihood	Current risk impact	Current risk score	Treatment (4Ts)	Planned action / future mitigation	Target risk likelihood	Target risk impact	Target risk score	Changes since last update
F-06	Council Tax - Credit Refund and Income Fraud	Council tax/NNDR/Rents; Suppression of notification of debt to be raised; Improper write-off; Failing to institute recovery proceedings; Switching or transferring arrears; manipulation of credit balances; Payment using false/ fraudulent instrument then re-claim of refund; Employee based; false payment then request for refund	PSPS - Revs/Bens	Up to date Council Financial Regulations; Up to date Council Anti-Fraud & Corruption Strategy; Debit/credit card payments monitoring - checking against pay.net system; Review of unusual activity; Refund to original card/bank account where appropriate; Authorisation procedures& levels; Checking against other accounts (Council Tax etc.) to ensure no other money owed to SELCP; Staff counter-fraud training; Audit trail/personal logins; Reconciliations; Budgetary controls; Write off policy; Debt recovery procedures; Supervisory controls; Review of credit balances and suspense items; Internal Audit reviews; Whistleblowing Policy; Counter-fraud page on website detailing how public can report fraud; Counter Fraud details on intranet; Financial Regulations training for all appropriate staff; Follow up payment sources	3	3	Medium (9)	Treat	Ongoing checks and balances	TBC	TBC	TBC	
F-07	Council Tax Fraud	False applications; failure to notify change in circumstances	PSPS - Revs/Bens	Council Financial Regulations; Council Anti-Fraud & Corruption Strategy; National Fraud Initiative - data matching; Monitoring of council tax base; Application checks; Check electoral register; Information from planning re Developments where full planning not required; Checks on documentary evidence for exemptions; Visual inspection; Internal Audit reviews; Whistleblowing Policy; Separation of duties; Counter-fraud page on website detailing how public can report fraud; Single Person Discount review; Field officers available for investigations; Annual review of long-term empty properties	2	2	Low (4)	Tolerate	N/A	2	2	Low (4)	
F-08	Council Tax Support Scheme	False applications; failure to notify change in circumstances	PSPS - Revs/Bens	Most controls are the same as Housing Benefits; Council Anti-Fraud & Corruption Strategy; Council Tax Support policy; Counter-fraud page on website detailing how public can report fraud; Council Financial Regulations; Whistleblowing Policy; Inclusion in National Fraud Initiative (data matching) from October 2016; Closer working - Council Tax and Housing share intelligence and identify potential fraud opportunities (sharing intelligence - informal arrangement); Fraud hotline; Dedicated team for fraud hotline; DWP verification	2	2	Low (4)	Tolerate	N/A	2	2	Low (4)	
F-09	National Non-Domestic Fraud	Failure to declare occupation; Payment using false bank details; Companies going into liquidation then setting up as new companies; Avoidance of liability through fraudulent claim for discount or exemption; Empty rate avoidance	PSPS - Revs/Bens	Up to date Council Financial Regulations; Up to date Council Anti-Fraud & Corruption Strategy; Ensure liable person identified for each assessment on the list; Information sharing with other Business Units; Inspections of occupied properties; Checking empty properties; Information from Landlords or letting agents; Public complaints- reports to valuation office; Internal Audit reviews; Whistleblowing Policy; Separation of duties; Register of Gifts & Hospitality/Register of Interests; Supporting evidence requested; Counter-fraud page on website detailing how public can report fraud; Use of Analyse Local to monitor threats; Field officers; Undertaking reviews; NFI Matching	3	3	Medium (9)	Treat	Ongoing checks and balances; small business rate relief review	TBC	TBC	TBC	
F-10	Housing Benefit Fraud	False applications; False documents; Failing to notify change	PSPS - Revs/Bens	Housing Benefit Anti-Fraud Strategy; Annual participation in National Fraud Initiative; NFI coordinator; HBMS - Government housing benefit matching scheme; Use prosecution, caution & admin penalties; Key controls in the housing benefit application process - prevention & detection; Authorised officer powers- access to employers, landlords, banks & building societies; Council Financial Regulations; Experienced and trained benefits staff; Mandatory benefit counter fraud training; Combined database with revenues; Only accept original documents in support of claims; Subscription to National Anti-Fraud Network; Housing Benefit review; Communications & publicity; Internal Audit reviews; Whistleblowing Policy; Counter-fraud page on website detailing how public can report fraud; Council Tax and Housing teams sharing intelligence to identify potential fraud; Counter Fraud Hotline; Dedicated Team for Counter Fraud; Data matching from DWP; Full case reviews; Customer contact team thoroughly trained; Dedicated intranet page	2	2	Low (4)	Tolerate	N/A	2	2	Low (4)	



Report To:	Audit and Governance Committee
Date:	Monday, 13 th October 2025
Subject:	Q1 Treasury Report 2025/26
Purpose:	To provide Members with an update on Treasury Management performance and activity to ensure best practice is maintained.
Key Decision:	No.
Portfolio Holder:	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
Report Of:	Brendan Arnold, Interim Director of Finance (S151 Officer)
Report Author:	Sean Howsam, Interim Treasury Manager (PSPSL).
Ward(s) Affected:	None directly.
Exempt Report:	No.

Summary

Attached at **Appendix 1** is the Q1 Treasury Report on the Council's "Treasury Management Strategy Statement and Annual Investment Strategy". It covers the following areas;

- An economic update for the first quarter of the 2025/26 financial year;
- The outlook for the remainder of the financial year along with interest rate forecasts;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2025/26;
- A review of the Council's borrowing strategy for 2025/26;
- A review of compliance with Treasury and Prudential Limits for 2025/26.

This Report refers to a key element of the Council's Governance Framework and represents an important contribution to the evidence trail in support of the Annual Governance Statement 2025/26.

Recommendations

It is recommended that Members of the Audit and Governance Committee receive and review the contents of the report attached at **Appendix 1**.

Reasons for Recommendations

The CIPFA Code of Practice for Treasury Management suggests that members should be informed of Treasury Management activities at least quarterly. This report therefore ensures this Council is embracing Best Practice in accordance with CIPFA's revised Code of Practice.

Other Options Considered

As this is an update report there are no other further options for consideration.

1. Background

- 1.1** The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2** The second main function of the treasury management service is the funding of the Council's capital programme. The capital programme provides a guide to the borrowing need of the Council, essentially longer term cash flow planning to ensure the Council can meet its capital spending requirements. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion, any existing debt may be restructured to meet Council risk or cost objectives.
- 1.3** Accordingly, treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 1.4** The risks around investments have always been managed effectively by the Council.

2. Report

- 2.1** This report provides the 2025/26 Quarter 1 update on the Council's "Treasury Management Strategy Statement and Annual Investment Strategy" (**Appendix 1**).

- 2.2** The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code of Practice for Treasury Management in 2021.
- 2.3** The Code suggests that members should be informed of Treasury Management activities at least quarterly. This report therefore ensures this Council is embracing best practice in accordance with CIPFA's revised Code of Practice.
- 2.4** Sections 2 and 3 of **Appendix 1** provides an economic update for quarter 1 and interest rate forecasts. The expected direction of interest rates for the remainder of the financial year is a reduction in Bank Rate.
- 2.5** Section 4 and 5 of **Appendix 1** provides details of the Council's investments and borrowing on 30 June 2025.
- 2.6** The table below provides an analysis of the net treasury position as at Quarter 1 and the projected outturn for the year:

	2025/26 Budget Quarter 1	2025/26 Actual Quarter 1	2025/26 Variance Quarter 1	2025/26 Annual Budget	2025/26 Forecast Outturn	2025/26 Forecast Variance
<u>Treasury Investments</u>						
Gross Interest	(259,185)	(443,767)	(184,582)	(1,039,588)	(1,339,503)	(299,915)
Brokers Fees	<u>2,493</u>	<u>0</u>	<u>(2,493)</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Position	(256,692)	(443,767)	(187,075)	(1,029,588)	(1,329,503)	(299,915)
<u>Property Funds</u>						
Gross Distributions	(215,040)	(186,665)	28,375	(862,523)	(753,637)	108,886
Management Fees	<u>42,384</u>	<u>36,791</u>	<u>(5,593)</u>	<u>170,000</u>	<u>148,539</u>	<u>(21,461)</u>
Net Distributions	(172,656)	(149,874)	22,782	(692,523)	(605,098)	87,425
M&G Property Fund Liquidation Distributions (<i>to be used for MRP Contributions as the original capital purchase was unfinanced</i>)	0	(117,308)	(117,308)	0	(216,288)	(216,288)
Total Borrowing Costs	27,736	27,736	0	111,250	111,250	0
Overall Net Position	(401,612)	(683,213)	(281,601)	(1,610,861)	(2,039,639)	(428,778)

On 30 June 2025 there was a favourable variance of £281,601 and the forecast outturn was a favourable variance of £428,778. The liquidation distribution from M&G which is included in these figures will be used to finance a corresponding MRP charge.

- 2.7** Treasury investments achieved an average rate of 5.110% and property fund investments achieved an estimated average rate of 3.457%. The combined rate achieved on all investments was 4.563%.

- 2.8** The higher level of investment income achieved compared to the original budget is due to interest rates in the market being higher than the budgeted return for 2025/26 and balances available for investment being higher due to slippage in the capital programme.
- 2.9** Section 6 provides an update to the Council's prudential and treasury indicators for 2025/26.

3. Conclusion

- 3.1** This report provides an update on treasury management performance to Members to ensure Best Practice is maintained as required by CIPFA Code of Practice for Treasury Management.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

None

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

The General Power of Competence in the Localism Act 2011 allows Councils a broad freedom in their operations.

Councils have the general power to borrow under Section 1 of the Local Government Act 2003.

The power to invest is set out in the Local Government Act 2003, Section 12, which gives the Council the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs.

The power that allows councils to spend for capital purposes is included in the Local Government Act 2003.

Data Protection

None

Financial

The financial implications are covered in detail in **Appendix 1** to this report and in section 2 above.

By making the investment criteria relating to financial institutions stringent, the Council receives lower rates of return. The Council therefore aims to strike a balance between risk and reward when considering its portfolio of investments. Treasury Management is a key financial consideration for the Authority especially in respect of its investment returns and Capital Programme.

Risk Management

The Code of Practice sets out the framework for controlling the risks associated with treasury management decisions for borrowing and investing. Ultimately investment and borrowing decisions are made in accordance with the Council's Treasury Management Strategy. The overriding priority is that the security of a deposit takes precedence over a return on investment.

The Prudential and Treasury Indicators control the limits for investing and borrowing, to ensure that any borrowing is affordable and sustainable and long term borrowing is for capital purposes only.

Stakeholder / Consultation / Timescales

The Portfolio Holder for Finance is briefed on treasury performance on a regular basis.

Reputation

The security of investments is the Council's main priority when investing surplus cash.

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms

CFR – Capital Financing Requirement

CIPFA - Chartered Institute of Public Finance and Accountancy

MPC - Monetary Policy Committee

MUFG – External Treasury Advisors (formerly known as Link Group)

PWLB - Public Works Loan Board

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 Q1 Treasury Report 2025/26

Background Papers

Background papers used in the production of this report are listed below: -

Document title.	Where the document can be viewed.
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Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.	CIPFA Website
BBC Treasury Management Strategy Statement for 2025/26	<u>(Public Pack)Agenda Document for Full Council, 03/03/2025 18:30</u>

Chronological History of this Report

Name of Body	Date
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Audit and Governance

Q1 Update Report - 13 October 2025

Report Approval

Report author:	Sean Howsam – Interim Treasury Manager (PSPSL) Sean.Howsam@pspsl.co.uk
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Signed off by:	Brendan Arnold – Interim Director of Finance (S151 Officer) brendan.arnold@sholland.gov.uk
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Approved for publication:	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth Sandeep.ghosh@boston.gov.uk
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Treasury Management Update

Quarter 1 Report 2025/26
ended 30 June 2025

Boston Borough Council

1 Treasury Management Update

Quarter Ended 30 June 2025

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

2 Economic Update

The first quarter of 2025/26 saw:

- A 0.3% month on month fall in real Gross Domestic Product in April – the first fall since October 2024;
- The 3 month year on year rate of average earnings growth excluding bonuses fall from 5.5% to 5.2% in May;
- Core Consumer Price Index inflation ease from 3.8% in April to 3.5% in May as temporary easter related effects faded;
- The Bank of England cut interest rates from 4.50% to 4.25% in May and hold them steady in June.
- The 10-year gilt yield fluctuates between 4.4% and 4.8%, and end the quarter at 4.50%.

Monetary Policy Committee (MPC) meetings 8 May and 19 June 2025

There were two MPC meetings this quarter. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from food prices rising. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates will be reduced further.

3. Interest rate forecasts

The Council has appointed MUFG as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The following Public Works Loan Board (PWLB) rate forecasts are based on the Certainty Rate (the standard rate minus 20 basis points) which has been accessible to most authorities since 1 November 2012.

The latest forecast was provided on 10 February 2025.

MUFG Corporate Markets Interest Rate View 10.02.25													
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
BANK RATE	4.50	4.25	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.50	4.30	4.30	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.50
12 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.60
5 yr PWLB	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.40	4.30	4.20	4.20	4.10	4.00
10 yr PWLB	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.50	4.50	4.40	4.40
25 yr PWLB	5.80	5.70	5.60	5.50	5.40	5.30	5.20	5.10	5.00	5.00	4.90	4.90	4.80
50 yr PWLB	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.60	4.50

4 Annual Investment Strategy

The Treasury Management Strategy Statement for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 3 March 2025. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap overlay information.

As shown by the charts below and the interest rate forecasts in section 3, investment rates have started to taper downwards during the first quarter of 2025/26 and are expected to fall back further if inflation falls through 2025 and 2026 and the MPC loosens monetary policy more substantially.

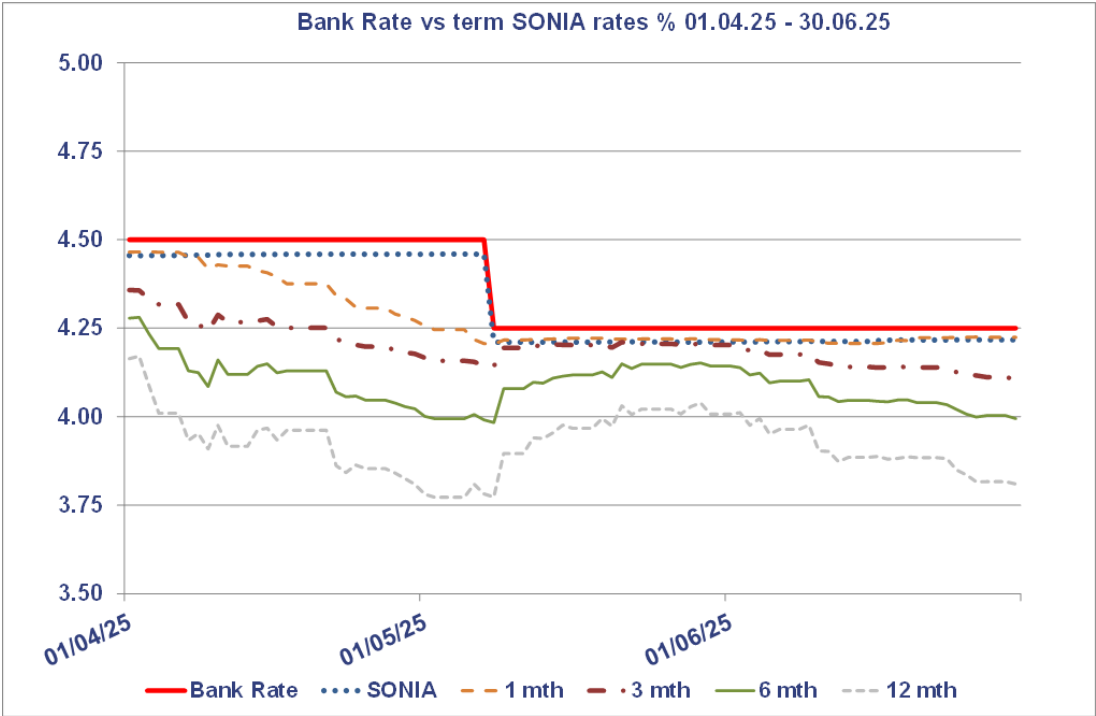
Creditworthiness - There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment Counterparty Criteria - There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Credit Default Swap prices - For UK banks, and international banks these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return.

Investment performance year to date as at 30 June 2025

The graph below shows that during the first quarter of the financial year rates have been gradually falling.



During the financial year the Council has made investments in line with the agreed Treasury Management Strategy.

Because the Council collects money on behalf of other organisations which are paid out at future dates (e.g. Council Tax and Business Rates) the value of investments held at any point in time does not represent the value of Boston BC's own resources.

The following table provides details of the cash investments held by the Council on 30 June 2025. Note this represents the position at this one point in time. The peaks and troughs in cash flow are managed on a daily basis.

Financial Institution	Country	Amount (£)	Start Date	Maturity Date	Fixed/ Variable	Yield (%)
HSBC Bank	UK	92,229	N/A	Instant Access	N/A	0.00%
CCLA* Money Market Fund	Various	6,380,000	N/A	Instant Access	Variable	4.28%
Barclays Bank	UK	523,905	N/A	Instant Access	Variable	2.75%
UBS Bank	Switzerland	3,000,000	12/07/24	11/07/25	Fixed	5.18%
Police & Crime Commissioner for Herts	UK	2,000,000	13/12/24	11/07/25	Fixed	5.60%
City of Bradford MDC	UK	2,000,000	17/03/25	17/09/25	Fixed	5.45%
Ashford District Council	UK	2,000,000	18/12/24	19/09/25	Fixed	5.60%
Gloucester City Council	UK	2,000,000	03/01/25	03/10/25	Fixed	5.40%
The Highland Council	UK	2,000,000	24/10/24	23/10/25	Fixed	5.00%
North Lanarkshire Council	UK	2,000,000	11/11/24	10/11/25	Fixed	5.05%
The Moray Council	UK	2,000,000	28/11/24	27/11/25	Fixed	5.35%
Broxbourne BC	UK	2,500,000	20/06/25	22/12/25	Fixed	4.25%
Basildon BC	UK	2,000,000	18/02/25	17/02/26	Fixed	5.65%
Great Yarmouth BC	UK	2,000,000	24/02/25	24/02/26	Fixed	5.60%
Aberdeen City Council	UK	2,000,000	28/03/25	27/03/26	Fixed	5.50%
TOTAL		32,496,134				

** The CCLA (Church, Charities and Local Authorities) Money Market Fund is domiciled in the UK but investment funds deposited globally.*

At the start of the year the level of investments was £34.7m.

Maturity profile of investment

A breakdown of the maturity structure of investments on 30 June 2025 is as follows:

Period to Maturity	Amount (£)	% of Portfolio
Instant Access	6,996,134	14%
Less than one month	5,000,000	10%
One to three months	4,000,000	8%
Three to six months	10,500,000	21%
Six to nine months	6,000,000	12%
Nine months to a year	0	0%
>12 Months	17,208,735	35%
TOTAL	49,704,869	100%

Property Fund Investments

The Council purchased property fund units between 2016 and 2018.

The overall change in the combined Net Asset Values for all funds during the first quarter of 2025/26 has been a decrease of £10,023.

The movement in fair value of the Capital Funds gets charged to the revenue account and reversed out through the MIRS to the capital adjustment account each year end so there is no bottom-line impact.

The M&G UK Property fund is liquidating its assets and therefore their fund valuation is reducing as repayments are made. Of the £4m originally invested, M&G have now paid Boston BC distribution payments totalling £3,781,031 as of 30 June 2025 leaving a book value of £218,969 outstanding.

The following table provides details of purchase cost, current fair value and performance information of the property fund investments on 30 June 2025 and projected outturns for the year.

Property Funds (Capital Expenditure)

Financial Institution	Purchase Cost (£)	Q1 Budgeted Net Revenue 2025/26 (£ & %)	Q1 Estimated Net Revenue (£ & %)	2025/26 Budgeted Net Revenue 2025/26 (£ & %)	2025/26 Estimated Outturn Net Revenue (£ & %)	Net Asset Value (£)	Total Gain/(Loss) Since Purchase (£ & %)	Capital Gain/(Loss) Since 31/03/25 (£ & %)	2025/26 Combined Annual Return (%)
BlackRock UK Property Fund	4,500,006	44,877 4.00%	37,119 3.31%	180,000 4.00%	155,353 3.45%	4,062,765	(437,241) (9.72%)	17,254 0.43%	3.74%
Schroder UK Real Estate Fund	4,250,006	42,384 4.00%	37,383 3.53%	170,000 4.00%	149,047 3.51%	3,512,779	(737,227) (17.35%)	(43,705) (1.23%)	2.30%
Threadneedle Property Unit Trust	4,239,754	42,281 4.00%	36,996 3.50%	169,590 4.00%	148,391 3.50%	3,680,499	(559,255) (13.05%)	23,999 0.66%	4.16%
M&G Investments UK Property Fund (After Distribution Payments)	218,969	3,224 4.00%	3,527 N/A	12,932 4.00%	12,362 N/A	343,433	124,464 N/A	(3,311) N/K	N/K
AEW UK Core Property Fund	4,000,000	39,890 4.00%	34,904 3.49%	160,000 4.00%	140,000 3.50%	3,509,798	(490,202) (12.26%)	(4,260) (0.12%)	3.37%
TOTAL	17,208,735	172,656	149,929	692,523	605,153	15,109,274	(2,099,461)	(10,023)	
Adjustment for 2024/25 Accrual	-	-	(55)	-	(55)	-	-	-	-
GRAND TOTAL	17,208,735	172,656	149,874	692,523	605,098	15,109,274	(2,099,461)	(10,023)	

Summary of Investment Income Received Against Budget and Forecast Outturn

The table below provides a comparison of investment income received against budget at Quarter 1 and a forecast outturn position for the year.

Investment Type	2025/26 Budget Quarter 1	2025/26 Actual Quarter 1	2025/26 Variance Quarter 1	2025/26 Annual Budget	2025/26 Forecast Outturn	2025/26 Forecast Variance
<u>Treasury Investments</u>						
Gross Interest	(259,185)	(443,767)	(184,582)	(1,039,588)	(1,339,503)	(299,915)
Brokers Fees	<u>2,493</u>	<u>0</u>	<u>(2,493)</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Position	(256,692) (4.708%)	(443,767) (5.110%)	(187,075) (0.402%)	(1,029,588)	(1,329,503)	(299,915)
<u>Property Funds</u>						
Gross Distributions	(215,040)	(186,665)	28,375	(862,523)	(753,637)	108,886
Less Management Fees	<u>42,384</u>	<u>36,791</u>	<u>(5,593)</u>	<u>170,000</u>	<u>148,539</u>	<u>(21,461)</u>
Net Distributions	(172,656) (4.000%)	(149,874) (3.457%)	22,782 0.543%	(692,523)	(605,098)	87,425
M&G Property Fund Liquidation Distributions (<i>to be used for MRP Contributions as the original capital purchase was unfinanced</i>)	0	(117,308)	(117,308)	0	(216,288)	(216,288)
Total Net Income	(429,348) (4.400%)	(710,949) (4.563%)	(281,601) (0.163%)	(1,722,111)	(2,150,889)	(428,778)

Treasury investments achieved an average rate of 5.110% and property fund investments achieved an estimated average rate of 3.457%. The combined rate achieved on all investments was 4.563%.

On 30 June 2025 there was a favourable variance of £281,601 and the forecast outturn was a favourable variance of £428,778. The liquidation distribution from M&G which is included in these figures will be used to finance a corresponding MRP charge.

The higher level of investment income achieved compared to the original budget is due to interest rates in the market being higher than the budgeted return for 2025/26 and balances available for investment being higher due to slippage in the capital programme.

5 Borrowing

The Council has a £1m Lender Option Borrower Option (LOBO) loan outstanding on 30 June 2025 with State Street Nominees at a rate of 11.125% which is due to mature in 2051.

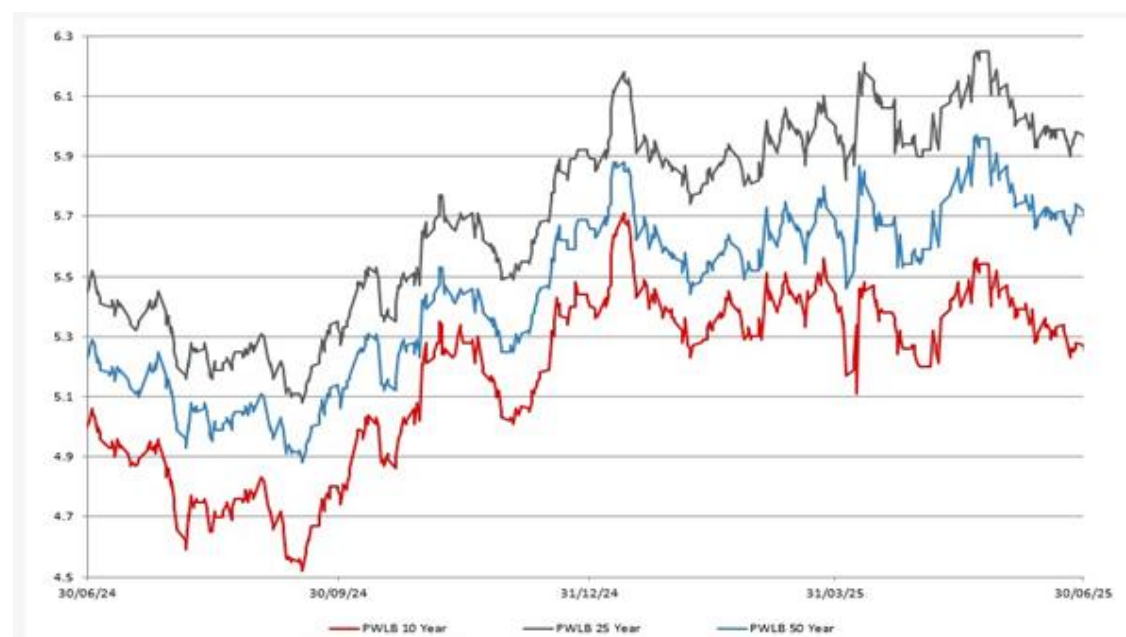
The following table provides a comparison of budgeted borrowing costs and the outturn position for the year.

Borrowing Type	2025/26 Budget Quarter 1	2025/26 Actual Quarter 1	2025/26 Annual Budget	2025/26 Forecast Outturn
State Street LOBO	27,736	27,736	111,250	111,250
Total Borrowing Costs	27,736	27,736	111,250	111,250

On 30 June 2025 negotiations were ongoing with a view to prematurely repaying this loan on preferential terms to the Council and taking out a cheaper loan with the PWLB. The loan has subsequently been repaid during quarter 2 and full financial details will be provided in the Quarter 2 Treasury Management Update.

Public Works Loan Board (PWLB) Borrowing Rates

The 50 year PWLB certainty rate was 5.71% on 30 June 2025 compared with 5.67% at the end of 2024/25.



6 Compliance with Treasury and Prudential Indicators

The prudential and treasury Indicators are shown in the following tables.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy Statement.

During the quarter ended 30 June 2025 the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement.

The Interim Director of Finance & S151 Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

Treasury Indicators and Prudential Indicators for 2025/26 as of 30 June 2025

Treasury Indicators	2025/26 Budget £'000	Revised Budget as at Quarter 1 £'000	31/03/25 Actual £'000
Authorised limit for external debt	38,000	38,000	18,000
Operational boundary for external debt	35,000	35,000	15,000
Gross external debt	1,000	1,000	1,000
Investments	(26,414)	(49,705)	(50,669)
Net investments	(25,414)	(48,705)	(49,669)
Upper limit for principal sums invested over 365 days:			
2025/26	10,000	10,000	0
2026/27	10,000	10,000	0
2027/28	10,000	10,000	0
2028/29	10,000	10,000	0
2029/30	10,000	10,000	0

Prudential Indicators	31/03/25 Actual £'000	Original 2025/26 Budget £'000	Revised 2025/26 Budget as at Quarter 1 £'000
Capital expenditure:			
Non Towns Fund	1,648	4,887	4,282
Towns Fund	8,514	14,849	14,849
UKSPF Projects	626	0	404
LUF Projects	2,376	10,870	10,870
BPF Projects	<u>1,906</u>	<u>8,080</u>	<u>8,080</u>
TOTAL	15,070	38,686	38,485
Capital Financing Requirement (CFR):	18,577	19,709	19,201
Annual change in CFR:	172	1,132	624
In year borrowing requirement:	404	1,339	1,302
Ratio of financing costs to net revenue stream:	(20.98%)	(15.98%)	(17.64%)

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Audit and Governance Committee Work Programme 2025–26

Meeting Date	Agenda Items	Report Author
7 July 2025	<ul style="list-style-type: none"> • Towns Board Capital Projects (Verbal Presentation) • Internal Audit Annual Report and Opinion 2024/25 • Q4 Risk Report 2024/2025 • Annual Treasury Report 2024/25 • Annual Governance Statement 2024/25 • Unaudited Financial Statements including Annual Governance Statement 2024/2025 • Budget Process 2026/27 • Committee Work Programme • Review of the Council's Property Fund Investments (Exempt) • Governance and Audit Committee Self-Assessment Action Plan 	<ul style="list-style-type: none"> – Director of Economic Development – Internal Audit Manager, LCC – Group Manager – Insights and Transformation – Treasury and Investment Manager, PSPS – Group Manager- Insights and Transformation – Deputy Chief Finance Officer, PSPS – Interim Director of Finance (S151) – Democratic Services Officer – Treasury and Investment Manager, PSPS – Scrutiny and Policy Officer
13 October 2025	<ul style="list-style-type: none"> • External Auditors Progress Report 2024/2025 (Verbal Update) • Internal Audit Progress Report 2024/2025 • Internal Audit Charter • Q1 Risk Report 2025/2026 • Q1 Treasury Report 2025/2026 • Committee Work Programme 	<ul style="list-style-type: none"> – External Audit Manager, KPMG – Internal Audit Manager, LCC – Internal Audit Manager, LCC – Group Manager – Insights and Transformation – Treasury and Investment Manager, PSPS – Democratic Services Officer
17 November 2025	<ul style="list-style-type: none"> • External Audit Completion Report 2024/2025 (ISA 260) • External Auditor's Annual Report 2024/25 • Q2 Risk Report 2024/2025 • Treasury Management Mid-Year Report 2024/2025 • Annual Governance Statement – Action Plan update (6monthly) • Audited Financial Statements including Annual Governance Statement 2024/2025 • Information Governance Annual Report 	<ul style="list-style-type: none"> – External Audit Manager, KPMG – External Audit Manager, KPMG – Group Manager – Insights and Transformation – Treasury and Investment Manager, PSPS – Group Manager – Insights and Transformation – Head of Finance Delivery - Technical and Corporate, PSPS – Information Manager and Data Protection Officer

Audit and Governance Committee Work Programme 2025–26

Meeting Date	Agenda Items	Report Author
	<ul style="list-style-type: none"> • Audit and Governance Annual Report 2024/2025 TBC • Committee Work Programme 	<ul style="list-style-type: none"> – Democratic Services Officer – Democratic Services Officer
19 January 2026	<ul style="list-style-type: none"> • Internal Audit Progress Report • Draft Treasury Management Policy and Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2026/2027 • Annual Budget Risks presentation (unique to Boston) • Committee Work Programme 	<ul style="list-style-type: none"> – Internal Audit Manager, LCC – Head of Finance Delivery - Technical and Corporate, PSPS / Treasury & Investment Manager PSPS – Interim Director of Finance (S151) – Democratic Services Officer
21 April 2026	<ul style="list-style-type: none"> • External Audit Strategy and Planning Report 2025/26 • Financial Statements – Accounting Policies 2025/2026 • Q3 Treasury Report 2025/26 • Q3 Risk Report 2025/2026 • Internal Audit Progress Report • Combined Assurance Status Report 25/26 • Draft Internal Audit Plan 2026/27 • Update in respect of RIPA 2000 • Committee Work Programme 	<ul style="list-style-type: none"> – External Audit Manager, KPMG – Head of Finance Delivery - Technical and Corporate, PSPS – Treasury and Investment Manager, PSPS – Group Manager – Insights and Transformation – Internal Audit Manager – Monitoring Officer – Internal Audit Manager, LCC – Assistant Director – Regulatory – Democratic Services Officer

Chairman: Councillor Barrie Pierpoint

Vice Chairman: Councillor James Cantwell

Clerk: Democratic Services Officer