Hartlepool
Borough Council

Audit and Governance Committee

Agenda

Tuesday 14 July 2026

Time: 10.00am

Location: Council Chamber

Members: Audit and Governance Committee

Councillors Anderson, Bailey-Fleet, Bruce, Dunbar (VC), Hall, B Harrison, Hughes, Jorgeson (C), Little and Storey

Standards Co-opted Independent Members: - Mr Martin Slimings and David Whitmore

Standards Co-opted Parish Council Representatives: Parish Councillor Kane Forrester (Wynyard) and Parish Councillor Patricia Andrews (Headland)

Local Police Representative

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1. Apologies for absence

2. To receive any declarations by members

3. Minutes

3.1. To confirm the minutes of the meeting held on 23 June 2026 (deferred to next meeting).

4. Audit Items

4.1. External Auditor Strategy Memorandum - *Director of Finance, IT and Digital Services*
4.2. Letter to those charged with Governance - *Director of Finance, IT and Digital Services*
4.3. Internal Audit Plan 2025/26 Update - – *Head of Audit and Governance*
4.4. Head of Audit and Governance Annual Opinion - 2025/26 - *Head of Audit and Governance*

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE
In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone.
The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.
https://www.hartlepool.gov.uk/democraticservices

4.5. Annual Governance Statement 2025/26 - *Director of Finance, IT and Digital Services*

5. Standards Items

5.1. None

6. Statutory Scrutiny items

6.1. Scrutiny Work Programme 2026-27 – *Democratic Services and Statutory Scrutiny Manager*

Crime and Disorder issues

6.2 None.

Health scrutiny issues

6.3 None

7. Other items

7.1 None

8. Minutes from recent meetings for receipt by the committee

8.1 Health and Wellbeing Board – None
8.2 Finance and Policy Committee relating to Public Health issues – None
8.3 Tees Valley Health Scrutiny Joint Committee – None
8.4 Safer Hartlepool Partnership – None
8.5 Tees Valley Area Integrated Care Partnership – None
8.6 Regional Health Scrutiny – None
8.7 Durham, Darlington and Teesside, Hambleton, Richmondshire and Whitby STP Joint Health Scrutiny Committee - None

9. Any other confidential items which the chair considers urgent

For information

Dates of future meetings -

Tuesday 22nd September 2026
Tuesday 13th October 2026
Tuesday 3rd November 2026
Tuesday 1st December 2026
Tuesday 26th January 2027
Tuesday 9th March 2027

Hartlepool Borough Council

Audit and Governance Committee

14 July 2026

Report of: Director of Finance, IT and Digital

Subject: EXTERNAL AUDITOR STRATEGY MEMORANDUM

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1. Council Plan Priority

Hartlepool will be a place:
where people live healthier, safe and independent lives. (People)
that is connected, sustainable, clean and green. (Place)
that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. Purpose of Report

2.1 To inform Members of the Audit and Governance Committee that arrangements have been made for representatives from Forvis-Mazars to be in attendance at this meeting, to present the content of the Auditors Audit Strategy Memorandum.

3. Background

3.1. This report sets out Forvis-Mazars audit plan in respect of the audit of the financial statements for the year ending 31 March 2026. The plan sets out the proposed audit approach and is prepared to assist the Audit and Governance Committee in fulfilling its governance responsibilities.

4. Proposals

4.1 Details of key messages are included in the main body of the report is attached as **Appendix 1**.

5. Other Considerations/Implications

Risk Implications	No relevant issues
Financial Considerations	No relevant issues
Subsidy Control	No relevant issues
Legal Considerations	No relevant issues
Single Impact Assessment	No relevant issues
Staff Considerations	No relevant issues
Asset Management Considerations	No relevant issues
Environment, Sustainability and Climate Change Considerations	No relevant issues
Consultation	No relevant issues

6. Recommendations

6.1. It is recommended that Members note the contents of the report.

7. Reasons for Recommendations

7.1. To ensure that the Audit and Governance Committee meets its remit and is updated on the work of the external auditor.

8. Background Papers

8.1. None

9. Contact Officers

James Magog
Director of Finance, IT and Digital
Telephone: 01429 523093
Email: james.magog@hartlepool.gov.uk

Audit Strategy Memorandum

Hartlepool Borough Council – Year ending 31 March 2026

July 2026

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Audit and Governance Committee

Hartlepool Borough Council
Civic Centre
Victoria Road
Hartlepool

17 June 2026

I am pleased to present our Audit Strategy Memorandum ("ASM") for Hartlepool Borough Council for the year ending 31 March 2026. This document will be presented at the Audit and Governance Committee meeting on 14 July 2026. If you would like to discuss any matters in more detail, please contact me on 0191 383 6331 or james.collins@mazars.co.uk.

This report provides an overview of the planned scope and timing of our audit, including the significant and enhanced audit risks we have identified. In addition, as it is a fundamental requirement that we are, and are seen to be, independent of Hartlepool Borough Council this report also summarises our considerations and conclusions on our independence.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of our audit and our respective responsibilities,
- Sharing information to assist each of us with fulfilling our respective responsibilities,
- Providing you with constructive observations arising during our audit, and
- Ensuring that we gain an understanding of your attitude and views in respect of the risks facing Hartlepool Borough Council which may affect our audit, including the likelihood of those risks materialising and how they are monitored and managed.

This report, which we have prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations.

During the meeting, we would be grateful for your views/ knowledge on the following specific matters:

- Whether you have identified any other risks (business, laws & regulation, fraud, going concern, etc.) that may result in material misstatements in the financial statements.
- If you are aware of any significant communications between the Council and its regulators.
- If there are any matters that you consider warrant particular attention during our audit and/ or any areas where you would like additional procedures to be undertaken.

Subject to our prior written agreement or as required by any applicable law or regulation, this report is considered confidential and is intended solely for the Audit and Governance Committee and should not be disclosed to any other party, used or quoted for any other purpose.

Yours faithfully,

James Collins (Jun 17, 2026 18:26:39 GMT+1)

James Collins

Forvis Mazars LLP

Contents

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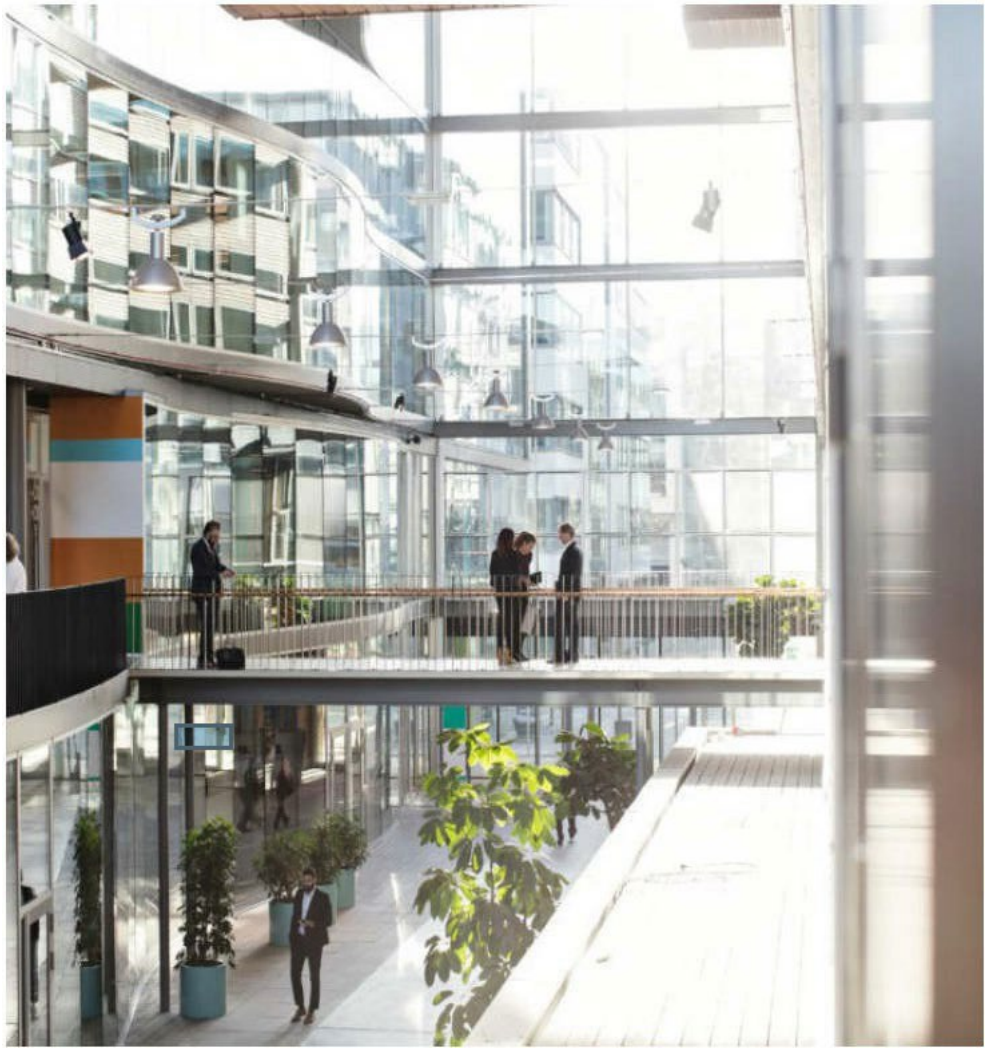
Your audit team

Your external audit service will be led by James Collins.

Who	Role	Contact
James Collins	Engagement Lead	James.Collins@mazars.co.uk 07881 283 527
Naser Alkobir	Engagement Manager	Naser.Alkobir@mazars.co.uk 07977 261 903
Alex Dunn	Team Leader	Alex.Dunn@mazars.co.uk 07977 570 661



Audit scope, approach, and timeline

Planning and risk assessment (April 2026 & September 2026)

- Planning our visit and developing our understanding of the entity
- Documenting systems and control and performing walkthroughs
- Risk identification and assessment
- Considering proposed accounting policies and accounting treatments
- Developing our audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review
- Determination of materiality
- Undertake planning work for our Value for Money (VFM) responsibilities

Interim (September 2026)

- Documenting systems and controls
- Performing walkthroughs
- IT general controls testing
- IT application controls testing
- Reassessment of our audit strategy (and revising if necessary)
- Early substantive testing of transactions
- Collate evidence to support our VFM work, including obtaining key documents and confirming our understanding of arrangements in place, including consideration of whether a significant weakness in arrangements exists.

Fieldwork (September 2026 – November 2026)

- Executing our strategy, starting with significant risks and other higher-risk areas
- Use of data analytics
- Receiving and reviewing the draft financial statements
- Confirm our understanding of VFM arrangements, including determining any identified significant weaknesses, including participation in the firm's Consistency Panel process

Communication (December 2026)

- Communicating progress and any issues arising
- Clearance meeting(s)
- Communication of any identified significant weaknesses as appropriate throughout the audit

Completion (January 2026*)

- Final review of financial statements, and disclosure checklist
- Final director review
- Agreeing the content of the letter of representation
- Preparing our auditor's report, including our VFM exception reporting
- Reporting to the Audit Committee
- Subsequent events procedures
- Signing our auditor's report

* Completion is subject to receipt of pension fund assurance from the Teesside Pension Fund Auditor.

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Audit risks and other significant matters

Significant risks

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response
Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.	Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we are required by auditing standards to identify a significant risk of management override of controls on our audit.	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

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Audit risks and other significant matters

Significant risks

Risk	Description	Our planned response
Net defined benefit asset / liability valuation	The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement. Moreover, in 2025/26 the actuary is undertaking a triennial revaluation of the local government pension fund. This results in an increased risk of material misstatement.	We will: • critically evaluate the Council's arrangements for making estimates in relation to pension entries within the financial statements; • challenge the reasonableness of the Actuary's assumptions that underpin the relevant entries made in the financial statements, through the use of an expert commissioned by the National Audit Office; • critically assess the competency, objectivity and independence of the Actuary; • liaise with the auditors of the Pension Fund to gain assurance that the overall procedures in place at the Pension Fund are operating effectively; • review a summary of the work performed by the Pension Fund auditor on the Pension Fund investment assets and evaluating whether the outcome of their work would affect our consideration of the Council's share of Pension Fund assets; • review the actuarial allocation of Pension Fund assets to the Council by the Actuary, including comparing the Council's share of the assets to other corroborative information; • agree data in the Actuary's valuation report for accounting purposes to the relevant accounting entries and disclosures in the Council's financial statements; and • if applicable, reviewing and challenging the Council's assessment, under the requirements of IFRIC14, of its net pension asset.

Audit risks and other significant matters

Significant risks

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response
Valuation of land, buildings and Council housing	The financial statements include material Balance Sheet amounts and disclosures relating to the Council's land and buildings (including the Council's PFI shared waste facility and Council dwellings). The valuation of these assets involves significant judgement, estimation uncertainty and the use of assumptions, including market conditions and valuation methodology. The Code has been amended in 2025/26 and now requires other land and buildings to be valued once every 5 years with annual indexation applied to assets during the intervening years. CIPFA have not prescribed the index to be applied, and the Council will apply judgement in relation to the appropriate indices to use based on the asset type.	To address this risk, we will: •liaise with management to update our understanding on the approach taken by the Council in it valuation of land and buildings. For assets that have been revalued in year (as part of the rolling programme) we will: •assess the scope of terms of engagement if the valuer: •assess the competence, skills and objectivity of the valuer; •for a sample of valuations, we will: •Test the accuracy of the date used in the valuation •Challenge the assumptions applied by the valuer and the Council; and •Review the appropriateness of the valuation method used. For assets that have been indexed in the year we will: •gain an understanding of the approach taken by the Council; •assess the relevance of the indices used; Consider the reasonableness of the indices used by comparing to available market data; and •test a sample of assets to ensure indexation has been applied appropriately.

Audit risks and other significant matters

Significant risks

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response

Valuation of investment property	The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of investment properties. Although the Council uses a valuation expert to provide information on valuations, there remains a degree of estimation uncertainty associated with the revaluation of properties due to the significant judgements and number of variables involved in providing revaluations.
	
	We have therefore identified the valuation of land, buildings and council housing an area of significant risk.
		To address this risk, we will:
		• liaise with management to update our understanding on the approach taken by the Council in its valuation of Investment Properties;
		• review and assess the scope of the terms of engagement with the valuer;
		• review and assess the competence, skills and objectivity of the valuer;
		• for a sample of valuations, we will
		  • test the accuracy of the data used in the valuations,
		  • challenge the assumptions applied by the valuer and the Council, and
		  • review the appropriateness of the valuation methodology used.

Materiality

We consider gross expenditure to be the key focus of the users of the financial statements. We have therefore determined our initial materiality levels using gross expenditure as the benchmark.

We expect to set financial statement materiality as 2**%** of gross expenditure.

Based on currently available information we anticipate setting our financial statement materiality and performance materiality at the levels set out in the table adjacent. The materiality figures have been based on the figures per the 2024/25 final accounts. These figures are subject to change as the information for 2025/26 draft accounts become available.

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

We will accumulate misstatements identified during our audit that are above the reporting threshold set out in the table adjacent, i.e., any misstatements that we identify that are above the reporting threshold will be reported to you and management. Any misstatements that we identify that are below that amount would not need to be reported because we expect that the accumulation of such amounts would not have a material effect on the financial statements. If you have any queries about our reporting threshold, please raise these with me.

Each misstatement above our reporting threshold that we identify will be classified as **adjusted** (corrected by management), or **unadjusted** (not corrected by management). We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to you as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on the financial statements and our audit opinion

Misstatements also cover qualitative misstatements and quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

We also consider whether there are any financial statement areas or disclosures where a misstatement of an amount lower than overall materiality could reasonably be expected to influence the economic decisions of users of the financial statements. Our assessment of the financial statements and/or disclosures to which this applies and the specific materiality level we have set is included in the table below.

	2025-26* £'000s	2024-25 £'000s
Overall materiality	£7,071	£7,071
Performance materiality	£5,303	£5,303
Clearly trivial	£212	£212
Specific materiality: Senior Officer Remuneration	10% of total senior management remuneration	10% of total senior management remuneration
Specific materiality: Exit packages of senior officers over £50k	£50	£50

**Based on 2024/25 financial statements at this stage.*

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Fees

Audit fees and other services provided by Forvis Mazars LLP

Our fees (exclusive of VAT) for the audit of the financial statements for the year ended 31 March 2026 are outlined in the table adjacent.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit. The main aspect impacting the fee when compared to the prior period is the results of the national procurement exercise undertaken by Public Sector Audit Appointments (PSAA) and to which Hartlepool Borough Council was a party.

The proposed fee reflects the scale fee determined by PSAA and information on how the scale fee is set can be found on PSAA's website. Where an auditor is required to undertake substantially more or less work to deliver their responsibilities a fee variation may be proposed which is subject to approval by PSAA. Examples compiled by PSAA of circumstances that may trigger a fee variation are available on the PSAA website.

Any threats to our independence arising from the provision of non-audit services and the associated safeguards we have identified and/ or put in place are set out on the in the 'Our independence' section of this report.

Nature of service	2025-26 proposed fee	2024-25 actual fee
Planned fee in respect of our work under the Code of audit Practice (Scale fee set by PSAA)	£330,602	£321,597
Additional fee in respect of IFRS16 procedures*	-	£5,000
Total fees	£330,602	£326,597

**Subject to PSAA approval*

Fees for non-PSAA work

We confirm that we do not plan to undertake any non-audit services for Hartlepool Borough Council in the year.

Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in '*Our independence*' section.

Our independence

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships that we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that, in our professional judgement, there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the context of the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration and complete annual ethics training,
- All new partners and staff are required to complete an independence confirmation,
- Rotation policies covering audit engagement partners and other key members of the audit team, and
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that Forvis Mazars LLP, the engagement team and others in the firm as appropriate, are independent and comply with relevant ethical and independence requirements. However, if at any time you have concerns or questions about our integrity, objectivity, or independence, please discuss these with me in the first instance.

Prior to the provision of any non-audit services, I will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor

We have not identified any threats to our independence in connection with the services we have provided to Hartlepool Borough Council. As indicated on the previous slide, we do not anticipate that we will be providing any non-audit services in the current audit period. We will update our independence assessment if this changes and inform you of the outcome as part of subsequent reporting to you.

Value for money

The framework for Value for money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

We undertake our VFM work in accordance with the 2024 Code of Audit Practice (the Code). Our responsibility, under the Code, is to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council arrangements in the Auditor's Annual Report.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

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

Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: • NAO guidance and supporting information; • Information from internal and external sources including regulators; • Knowledge from previous audits and other audit work undertaken in the year; • Interviews and discussions with staff and members
Additional risk- based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report. Our commentary will also highlight: • Significant weaknesses identified and our recommendations for improvement; and • Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

Value for money

Identified risks of significant weaknesses in arrangements

The Code of Audit Practice and Auditor Guidance Note 03 issued by the NAO require us to carry out work at the planning stage to understand the Council's arrangements and to identify risks that significant weaknesses in arrangements may exist.

Although we have not fully completed our planning and risk assessment work, the table below outlines the risks of significant weaknesses in arrangements that we have identified to date. We will report any further identified risks to the Audit and Governance Committee on completion of our planning and risk identification work.

	Risk of significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Planned procedures
1	**Financial sustainability** The Council has reported significant budget deficits in recent years and as at February 2026 was forecasting a £2.5m deficit in 2025/26. This has been largely due to a £6.5m overspend in children's social care services. Our work in 2024/25 did not identify any evidence of a significant weakness in the Council's arrangements. However, we issued an 'other recommendations'. This related to the need for the Council to take action to address ongoing cost pressures particularly within children's social care and to deliver the savings set out in the Transformation and Efficiency Strategy to avoid further reliance on reserves.	●	○	○	We will: • Consider the final outturn position for 2025/26 including the achievement of savings targets and the Council's reserves. • Review the 2026/27 medium term financial plan and monitor in-year financial performance. • Consider how the Council is addressing the significant overspends in children's social care and the achievement of its savings targets and delivery of the Transformation and Efficiency Strategy.

Value for money

Identified risks of significant weaknesses in arrangements

	Risk of significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Planned procedures
1	**Financial sustainability – dedicated schools grant** The Council has reported significant budget deficits in recent years for Dedicated Schools Grant (DSG) – High Needs block. Our work in 2024/25 did not identify any evidence of a significant weakness in the Council's arrangements but we reported an 'other recommendation. The recommendation concerned the delivery of the Dedicated Schools Grant Management Plan, recognising the importance of continued progress in reducing the cumulative DSG deficit. We need to complete work to determine if these matters are evidence of a significant weakness in the Council's arrangements.	●	○	○	We will: • Consider the delivery of the Dedicated Schools Grant Management Plan. • Consider the Council's arrangements for addressing the DSG deficit in light of the Government announcement in February 2026 on High Needs Stability Grant.

Appendix A: Other communications

Audit scope and approach

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements. Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are driven primarily by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud), we develop our audit strategy and design audit procedures to respond to the risks we identify.

If we conclude that appropriately designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or if we decide that it would be more efficient, we may take a wholly substantive approach to our audit testing if, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required by UK auditing standards to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the *'Materiality'* section of this report.

Management's and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Defined Benefit Asset / Liability	Hymans Robertson	Consulting Actuary (PWC) engaged by the NAO
Property, plant and equipment valuation	Internal Council valuer	We will consider the valuation exercise and, if required, consider the need to engage our own internal valuation expert.
Financial Instruments	MUFG Pension & Market Services (previously known as Link Asset Services)	We will consider the valuation of financial instruments and if deemed necessary engage our own internal experts.

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Appendix A: Other communications

Responsibilities

We are appointed to perform the external audit of Hartlepool Borough Council for the year to 31 March 2026. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: Statement of responsibilities of auditors and audited bodies from 2023/24. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the CIPFA Code of Practice on Local Authority Accounting.
Our audit does not relieve management or the Council as Those Charged With Governance, of their responsibilities.
The Director of Finance is responsible for the assessment of Hartlepool Borough Council's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

a) whether a material uncertainty related to going concern exists, and
b) the appropriateness of the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements.

Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.
As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel, internal audit and other key individuals, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks.
In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hartlepool Borough Council's internal control.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.
We also report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.

Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the '*Value for Money*' section of this report.

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Appendix A: Other communications

Required communications

This section of our report sets out the matters that we are required to report to you by UK auditing standards, including which form of our communications satisfy, or will satisfy, those requirements.

Required communication	Where addressed
Our responsibilities in relation to our audit of the council's financial statement and the responsibilities of management and those charged with governance.	Audit Strategy Memorandum and engagement letter
The planned scope and timing of our audit, including any limitations (specifically with respect to significant risks and key audit matters, if applicable).	Audit Strategy Memorandum
With respect to misstatements: • Uncorrected misstatements and their effect on our audit opinion, • The effect of uncorrected misstatements related to prior periods, • A request that any uncorrected misstatement is corrected, and • In writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: • Inquiries with you to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the company, • Any fraud that we have identified or information we have obtained that indicates that fraud may exist, and • A discussion of any other matters related to fraud.	Audit Completion Report and discussion at Audit and Governance Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)
Significant matters arising during our audit in connection with the entity's related parties including, when applicable: • Non-disclosure by management, • Inappropriate authorisation and approval of transactions, • Disagreement over disclosures, • Non-compliance with laws and regulations, and • Difficulty in identifying the party that ultimately controls the entity.	Audit Completion Report

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Appendix A: Other communications

Required communications

Required communication	Where addressed
Significant findings from our audit, including: • Our view about the significant qualitative aspects of accounting practices, including accounting policies, accounting estimates, and financial statement disclosures, • Significant difficulties, if any, encountered during our audit, • Significant matters, if any, arising from our audit that were discussed with management or were the subject of correspondence with management, • Written representations that we are seeking, • Expected modifications to our auditor's report, and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified during our audit that we believe are relevant to those charged with governance in the context of fulfilling their responsibilities.	Audit Completion Report
Significant deficiencies in internal controls identified during our audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of you into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that you may be aware of.	Audit Completion Report and Audit and Governance Committee meeting(s)
With respect to going concern, events or conditions identified that may cast significant doubt on the company's ability to continue as a going concern, including: • Whether the event or condition constitutes a material uncertainty, • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements, and • The adequacy of related disclosures in the financial statements.	Audit Completion Report

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Appendix A: Other communications

Required communications

Required communication	Where addressed
Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm's system of quality management team completes, as part of an ongoing and iterative process, key steps to assess and conclude on our firm's system of quality management, including: • Ensuring there is an appropriate assignment of responsibilities, • Establishing and reviewing quality objectives each year, ensuring our firm's quality objectives align with our strategies and priorities, • Identifying, reviewing, and updating quality risks each quarter, taking into consideration multiple input sources (such as FRC/ ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.), • Identifying, designing, and implementing responses to strengthen our firm's internal control environment and overall quality, and • Evaluating our quality responses and remediating control gaps or deficiencies. We perform an evaluation of our system of quality management on an annual basis. We publish the details of our annual evaluation, and our conclusion, in our Transparency Report, which can be accessed on our website at: https://www.forvismazars.com/uk/en/who-we-are/corporate-publications/transparency-reports.	Audit Strategy Memorandum (the communication adjacent satisfies this requirement)
We are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include: • Significant delays in management providing information that we require to perform our audit. • An unnecessarily brief time within which to complete our audit. • Extensive and unexpected effort to obtain sufficient, appropriate audit evidence. • Unavailability of expected information. • Restrictions imposed on us by management. • Unwillingness by management to make or extend their assessment of the company's ability to continue as a going concern when requested. We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).	Audit Completion Report, discussion at Audit and Governance Committee meeting(s), and audit clearance meeting(s)

Appendix A: Other communications

Definitions

Term	Definition
Materiality	An expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements. We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to the company. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to you (reporting threshold). Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users. An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users: • Have a reasonable knowledge of business, economic activities, and accounts, • Have a willingness to study the information in the financial statements with reasonable diligence, • Understand that financial statements are prepared, presented, and audited to levels of materiality, • Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events, and • Will make reasonable economic decisions based on the information in the financial statements. We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material. This provide a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks. We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage. The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

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Appendix A: Other communications

Definitions

Term	Definition
Significant risk	A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by UK auditing standards), including management override of controls and revenue recognition.
Enhanced risk	An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to: • Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement, and • Risks relating to other assertions and arising from significant events or transactions that occurred during the period.
Standard risk	A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.
Key audit matter	A matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on our overall audit strategy, the allocation of resources in our audit, and directing the efforts of our engagement team. It is important that you understand and have the opportunity to discuss with us why something is being communicated as a key audit matter and the way it is described. This report highlights which of the significant and other risks are expected, at this stage, to be determined as key audit matters. It should be noted, however, that other audit areas may be determined as key audit matters during our audit.

Appendix A: Other communications

Definitions

Term	Definition
Key audit partner	(a) An individual who is eligible for appointment as a statutory auditor and who is designated by our firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of our firm. (b) In the case of a group audit, any of the following: (i) an individual who is eligible for appointment as a statutory auditor and who is designated by our firm as being primarily responsible for carrying out the statutory audit of the consolidated accounts of the group on behalf of our firm; (ii) an individual who is eligible to conduct the audit of the accounts of any subsidiary undertaking determined by us to be a 'material subsidiary' and who is designated as being primarily responsible for that audit. (c) An individual who is eligible for an appointment as a statutory auditor and who signs the audit report.

Appendix B: Current year updates, forthcoming accounting & other issues

HM Treasury changes to non-investment asset valuation

Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the "Code")

Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to its requirements for the valuation frequency, valuation methodology and classification of non-investment property assets. The changes are effective from 1 April 2025 as set out in the 2025-26 Code and include:

- A change to the requirements regarding revaluation frequency. Rather than adhering to paragraph 34 of IAS 16 which requires an asset to be revalued whenever its carrying value differs materially from its current value, entities will be required to revalue assets on a quinquennial basis, i.e. every five years, supplemented by annual indexation in the intervening years. This requirement can be adhered to either as part of a full revaluation or as part of a rolling programme. The Code requires bodies to use the best index available to them. Should management determine that there is no appropriate index to use, then the quinquennial valuation is supplemented by a valuation in the third year.

- Revaluations carried out prior to 2025/26, in line with former requirements of the Code, remain valid throughout the transition period (being 1 April 2025 to the date the next revaluation is due for a given asset). During the transition period, the maximum period between revaluations must not exceed five years.

- The requirement to consider indicators of impairment under IAS 36 remains, so management will still be required to undertake an annual assessment of whether there are indicators of impairment, and where these are present, it may be necessary to undertake valuations outside of the 5-yearly valuation programme.

Whilst management will no longer need to consider annually whether it is necessary to revalue non-investment assets, they will need to be satisfied that they have appointed a suitably qualified valuer to undertake the valuation of assets whenever they fall due either as part of a full valuation or a rolling programme. If local indices are used, management will need to have sufficient evidence to demonstrate these indices are appropriate and relevant to the entity's circumstances, and to provide this evidence to the auditor.

Appendix B: Current year updates, forthcoming accounting & other issues

Effective for accounting periods beginning on or after 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

The standard was UK-adopted in December 2025, and the date of incorporation into the Code is not confirmed, though expected to be within the 2028/29 financial year. It is not yet confirmed what interpretations and adaptations HMT will determine are necessary for implementation in the public sector. We have provided an outline of the main changes arising from IFRS 18 as unadapted and without interpretation and will provide an update on the expected impact on Hartlepool Borough Council as and when detail is available as to when and how the standard is incorporated into the Code.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements.

New categories and subtotals for inclusion within the statement of profit or loss

- Income and expenses are to be classified into three new defined categories: operating, investing and financing, in addition to the income taxes and discontinued operations categories.
- All companies are to present new defined subtotals – operating profit and loss, and profit or loss before financing and income taxes.

New reporting requirements on Management Performance Measures (MPMs)

- New requirements are introduced for management-defined performance measures (MPMs), which may also be called Alternative Performance Measures (APMs). These are described as subtotals of income and expenses that an entity: (a) uses in public communications outside financial statements; (b) uses to communicate to users of financial statements management's view of an aspect of the financial performance; and (c) are not listed within IFRS 18 or specifically required to be presented or disclosed by another IFRS Accounting Standard.
- All MPMs are required to be disclosed in a single note in the financial statements setting out:
  - an explanation of why the MPM is reported, and
  - a reconciliation to a directly comparable GAAP measure within IFRS 18 or another IFRS Accounting Standard.

Enhanced requirements for aggregation & disaggregating information

- Enhanced requirements are set out for the aggregation and disaggregation of items based on similar and dissimilar characteristics. Items that have dissimilar characteristics must be disaggregated when the resulting information is material. Guidance is also included on how to describe items within the financial statements, requiring an entity to label items presented or disclosed as 'other' only if a more informative label cannot be found.
- New guidance is provided on whether information should be reported in the primary financial statements or the notes. This includes guidance on presentation and disclosure of expenses classified in the operating category, alongside introducing more prescribed requirements for an entity that classifies expenses by function as well as the requirement to disclose expenses by nature in a single note for certain amounts - depreciation, amortisation, employee benefits, impairment and write-downs of inventories

Many principles and requirements have been brought forward from IAS 1 to IFRS 18 such as frequency of reporting, comparative information, offsetting, capital disclosures and the requirements for the statement of financial position and for the statement of changes in equity.

Contact

Forvis Mazars

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Hartlepool Borough Council

Audit and Governance Committee

14 July 2026

Report of: Director of Finance, IT and Digital Services

Subject: LETTER TO THOSE CHARGED WITH GOVERNANCE

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1. Council Plan Priority

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. Purpose of Report

2.1 To inform Members of the proposal to reply to the letter received from the Director and Engagement Lead of our External Auditor, Forvis-Mazars, for understanding how those charged with governance gain assurance from management.

3. Background

3.1 In carrying out the annual accounts audit, Forvis-Mazars have to demonstrate compliance with International Standards for Auditing (UK and Ireland). The standard requires Mazars to gain each year, an understanding of how the Committee exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

3.2 Mazars must also gain a general understanding of the legal and regulatory framework applicable to the audited body and how the audited body is complying with that framework. After gaining a general understanding auditors need to undertake audit procedures to help identify instances of non-compliance with those laws and regulations where this impacts on preparing the financial statements. This includes:

- Enquiring of management whether they have complied with all relevant laws and regulations;
- Written representation from management that they have disclosed to the auditor all known actual or possible areas of non-compliance; and
- Enquiring with "those charged with governance" whether they are aware of any possible instances of non-compliance.

4. Proposals

4.1 Attached as **Appendix A** is a letter to Forvis-Mazars from the Chair of the Committee, detailing how the committee has complied with the requirements of International Standards for Auditing.

4.2 It is recognised that there are new members of committee, but the letter reflects the arrangements that were in place for 2025/26 and continue to be in place regarding the committees operation and approach.

5. Other Considerations/Implications

Risk Implications	No relevant issues
Financial Considerations	No relevant issues
Subsidy Control	No relevant issues
Legal Considerations	No relevant issues
Single Impact Assessment	No relevant issues
Staff Considerations	No relevant issues
Asset Management Considerations	No relevant issues
Environment, Sustainability and Climate Change Considerations	No relevant issues
Consultation	No relevant issues

6. Recommendations

6.1 It is recommended that Members agree the contents of the letter to Forvis-Mazars outlining how the activities of the Committee comply with the requirements of International Standards for Auditing.

7. Reasons for Recommendations

7.1 To ensure that in order for Mazars to comply with legislative requirements, those charged with governance supply the requested information.

8. Background Papers

8.1 None

9. Contact Officers

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk

Hartlepool
Borough Council

Appendix A

13 May 2026

James Collins,
Director, Public Services,
Mazars,
The Corner,
Bank Chambers,
26 Mosley Street,
Newcastle, NE1 1DF.

Dear James,

Further to your letter, **Audit of Hartlepool Borough Council financial statements for the year ended 31 March 2026 - understanding how those charged with governance gain assurance from management**, I have outlined below in the answers to the questions posed, how the Audit and Governance Committee exercise oversight of the processes in place to prevent and detect fraud and gains assurance that all relevant laws and regulations are complied with.

1) ***How do you exercise oversight of management's processes in relation to:***

   • undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);
   • identifying and responding to risks of fraud in the Authority, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
   • communicating to employees its view on business practice and ethical behaviour (for example by updating, communicating and monitoring against the Authority's code of conduct); and
   • communicating to you the processes for identifying and responding to fraud or error?

As the Audit and Governance Committee we are provided the Council's Financial Statements and can review and question key finance staff regarding their preparation. We take advice from both officers' internally and externally regarding the accounting statements and processes in place to ensure they are a true and fair view of the Council's financial position. A rigorous targeted quality assurance review of the final accounts and financial statements is undertaken by the Council's accounting staff who prepare the statements, supported by the Director of Finance, IT and Digital Services, to ensure that they are not subject to material misstatement. Financial reports are subject to a quarterly review which is scrutinised by the Executive Leadership Team and Finance and Corporate Affairs Committee. Key systems e.g. Creditors, Debtors, Business Rates, Council Tax are robust and subject to annual internal audit reviews to significantly eliminate any risk of fraud. The Committee gain assurance from Internal Audit reports each quarter.

Hartlepool Borough Council

Appendix A

We are regularly updated in relation to issues regarding potential fraud and review and approve the Councils Anti-Fraud and Corruption Strategy. The Audit and Governance Committee review and approve the Council's Code of Corporate Governance. As an independent committee of the Council, the Audit and Governance Committee can at any time seek explanation from any officer of the Council regarding issues it considers

We considered Internal Audit Plan 2025/26 updates. Reports were reviewed by the Committee during the year which allowed members to be kept up to date with the ongoing progress of the Internal Audit section in completing its annual audit plan. These reports allowed the Committee to review the outcomes of all completed internal audit reports and comment upon any areas of concern.

2) How do you oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control? Are you aware of any breaches of internal control during 2025/26?

The Council has strong corporate governance arrangements in place in relation to the risk of fraud. Internal Audit has reviewed these arrangements in line with CIPFA and National Fraud Authority guidance to identify and respond to fraud risk areas.

The Committee is aware of suspected fraud perpetrated against the Council in respect of benefit claims and the Council's participation in the National Fraud Initiative data matching exercise and the role of the Benefit Fraud Investigator. The council has also successfully progressed further measures to address suspected single person discount fraud. The Committee does not suspect fraud may be occurring in other areas within the Authority and is satisfied that adequate arrangements are in place to tackle suspected fraud. The Committee is not aware of any entries made in the accounting records of the authority that we believe, or suspect are false or intentionally misleading. We do not believe any assets, liabilities or transactions have been improperly included or omitted from the accounts of the Council. The Committee takes assurance from both its internal and external audit coverage of the Council's accounting records and is satisfied that sufficient checks and balances are in place.

The Committee is satisfied that the Council has adequate governance arrangements in place in relation to its internal control environment and gains assurance from the work of its internal and external auditors. The Council has a well-established and publicised Whistleblowing Policy in place as well as an up-to-date Anti-Fraud and Corruption plan. Employees are expected to report all instance of suspected fraud and corruption and are encouraged to do so.

As a committee we are not aware of any breaches of internal control during 2025/26 and will consider those significant governance issues highlighted in the Annual Governance Statement in the context of our knowledge and understanding of the Council over the financial year.

3) How do you gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2025/26?

The Council's Monitoring Officer monitors all current and new legislation, ensuring adequate arrangements are in place to enable compliance. The Council has in place a robust management performance and reporting regime which helps monitor the achievement of objectives including compliance with laws and regulations. There is also a comprehensive internal audit regime which provides independent assurance.

The Committee considered Internal Audit Plan 2025/26 updates. These reports were reviewed by the Committee during the year which allowed members to be kept up to date with the ongoing progress of the Internal Audit section in completing its annual audit plan. These reports allowed the Committee to review the outcomes of all completed internal audit reports and comment upon any areas of concern. The Committee also receives assurance via the work of the Monitoring Officer. Along with other updates from senior officers at the Council, this provides satisfactory assurance that all relevant laws and regulations are being complied with.

Members of the Audit and Governance Committee are active in other areas of Council activity and bring that knowledge and experience to the Audit and Governance Committee in relation to the Council's operation. The Audit and Governance Committee reviews performance and risk management arrangements in place through the work of Internal Audit and other reports received and is not aware of any non-compliance with relevant laws or regulations during 2025/26.

4) Are you aware of any actual or potential litigation or claims that would affect the financial statements?

The Committee is not aware of any new significant litigation or claims or changes to any existing litigation / claim that would affect the financial statements.

5) Have you carried out a preliminary assessment of the going concern assumption and if so have you identified any events which may cast significant doubt on the Authority's ability to continue as a going concern?

Reports and information have been provided to the Committee over the course of the year, including reviewing the Council's previous Financial Statements and Annual Governance Statement. Members of the Committee are aware of the medium-term financial plan report where the Section 151 Officer gives his opinion on the robustness of reserves giving assurance about the Authority's financial sustainability in the medium term. We are aware that local authorities are presumed to be going concerns as long as there is no reason to suggest the services provided would not continue and there is no reason that we are aware of, or suspect core services would be discontinued in the foreseeable future.

Hartlepool Borough Council

Appendix A

Please see response to your question in **Appendix 1** below:

No.	Questions for those charged with governance	Those charged with governance response
1.	Are you aware of any instances of actual, suspected or alleged fraud within Hartlepool Borough Council during the period 1 April 2025– 31 March 2026?	The Committee is aware of suspected fraud perpetrated against the Council in respect of benefit claims and the Council's participation in the National Fraud Initiative data matching exercise and the role of the Benefit Fraud Investigator. The council has also progressed further measures to address suspected single person discount fraud.
2.	Do you suspect fraud may be occurring within the Authority? • Have you identified any specific fraud risks within the Authority? • Do you have any concerns that there are areas within the Authority that are at risk of fraud? • Are there particular locations within the Authority where fraud is more likely to occur?	The Committee is not aware and does not suspect fraud may be occurring in other areas within the Authority and is satisfied that adequate arrangements are in place to tackle suspected fraud.
3.	Are you satisfied that internal controls, including segregation of duties, exist and work effectively? • If not where are the risk areas? • What other controls are in place to help prevent, deter or detect fraud?	The Committee is satisfied that internal controls, including segregation of duties, exist and work effectively and is satisfied that adequate arrangements are in place to tackle suspected fraud.
4.	How do you encourage staff to report their concerns about fraud? • What concerns about fraud are staff expected to report?	The Council has a well-established and publicised Whistleblowing Policy in place as well as an up-to-date Anti-Fraud and Corruption plan. Employees are expected to report all instance of suspected fraud and corruption and are encouraged to do so.

5.	From a fraud and corruption perspective, what are considered to be high risk posts within the Authority? • How are the risks relating to these posts identified, assessed and managed?	The organisation has sufficiently skilled and experienced staff to deliver the Council's objectives, for staff appointments robust recruitment process is in place to ensure suitably experienced and qualified staff are appointed. Appropriate support and training is provided to all staff in the organisation. The Committee considers those posts dealing with all aspects of procurement and cash handling to be high risk. The Committee takes assurance from the fact that support and training is provided to staff and that the Council has sufficiently skilled and experienced staff to deliver the Council's objectives.
6.	Are you aware of any related party relationships or transactions that could give rise to instances of fraud? • How do you mitigate the risks associated with fraud related to related party relationships and transactions?	The Committee is aware that the Council is required to disclose material transactions with bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Procedures are in place to update details of these interests which are recorded in the Register of Members' Interest. This document is open to public inspection at the Civic Centre during office hours and available on the Council's website. Training is provided to Members in this area to ensure a shared understanding of expectations exist. Members of the Executive Leadership Team are required to provide an annual declaration of interest and to keep this under review during the year. These declarations are reviewed annually. Detailed notes explaining the nature of any related party transactions are recorded in the Council's Statement of accounts.

Hartlepool Borough Council

Appendix A

7.	Are you aware of any entries made in the accounting records of the Authority that you believe or suspect are false or intentionally misleading? • Are there particular balances where fraud is more likely to occur? • Are you aware of any assets, liabilities or transactions that you believe were improperly included or omitted from the financial statements of the Authority? • Could a false accounting entry escape detection? If so, how? • Are there any external fraud risk factors which are high risk of fraud?	The Committee is not aware of any entries made in the accounting records of the authority that we believe, or suspect are false or intentionally misleading. We do not believe any assets, liabilities or transactions have been improperly included or omitted from the accounts of the Council. The Committee takes assurance from both its internal and external audit coverage of the Council's accounting records and is satisfied that sufficient checks and balances are in place.
8.	Are you aware of any organisational, or management pressure to meet financial or operating targets? • Are you aware of any inappropriate organisational or management pressure being applied, or incentives offered, to you or colleagues to meet financial or operating targets?	The Committee is not aware of any organisational, or management pressure to meet financial or operating targets, other than through robust budget management arrangements.
9.	What arrangements has the Authority put in place in response to the Bribery Act 2010?	The Council has an Anti-Fraud and Corruption Policy in place. The Council has a well-established and publicised Whistleblowing Policy in place. Employees are expected to report all instance of suspected fraud and corruption and are encouraged to do so.

Yours Faithfully

Cllr Michael Jorgeson

Audit and Governance Committee Chairman

Hartlepool Borough Council

AUDIT AND GOVERNANCE COMMITTEE

14th JULY 2026

Report of: Head of Audit and Governance

Subject: INTERNAL AUDIT PLAN 2025/26 UPDATE

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
where people live healthier, safe and independent lives. (People)
that is connected, sustainable, clean and green. (Place)
that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. PURPOSE OF REPORT

2.1 To inform Members of the progress made to date completing the internal audit plan for 2025/26

3. BACKGROUND

3.1 In order to ensure that the Audit and Governance Committee meets its remit, it is important that it is kept up to date with the ongoing progress of the Internal Audit section in completing its plan. Regular updates allow the Committee to form an opinion on the controls in operation within the Council. This in turn allows the Committee to fully review the Annual Governance Statement, which will be presented at this meeting of the Committee, and after review, will form part of the statement of accounts of the Council.

4. PROPOSALS

4.1 That members consider the issues within the report in relation to their role in respect of the Councils governance arrangements. In terms of reporting internally at HBC, Internal Audit produces a draft report which includes a list of risks currently faced by the client in the area audited. It is the responsibility of the client to complete an action plan that details the actions proposed to mitigate those risks identified. Once the action plan has been provided to Internal Audit, it is the responsibility of the client to provide Internal Audit with evidence that any action has been implemented by an agreed date. The level of outstanding risk in each area audited is then reported to the Audit and Governance Committee.

4.2 The benefits of this reporting arrangement are that ownership of both the internal audit report, and any resulting actions lie with the client. This reflects the fact that it is the responsibility of management to ensure adequate procedures are in place to manage risk within their areas of operation, making managers more risk aware in the performance of their duties. Greater assurance is gained that actions necessary to mitigate risk are implemented and less time is spent by both Internal Audit and management in ensuring audit reports are agreed. A greater breadth of assurance is given to management with the same Internal Audit resource and the approach to risk assessment mirrors the corporate approach to risk classification as recorded corporately. Internal Audit can also demonstrate the benefit of the work it carries out in terms of the reduction of the risk faced by the Council.

4.3 Table 1 of the report summarises the assurance placed on those audits completed with more detail regarding each audit and the risks identified and action plans agreed provided in **Appendix A**.

Table 1

Audit	**Assurance Level**
Stores	Satisfactory
Youth Offending Services	Satisfactory
Car Parking	Satisfactory
Concessionary Travel	Satisfactory
IT Access Controls (Network)	Satisfactory
Fuel Management	Satisfactory
Summerhill	Satisfactory
Sickness Monitoring	Satisfactory
Insurances	Satisfactory
Business Continuity	Limited
Members Allowances	Satisfactory
Procurement Policy	Satisfactory
Gifts and Hospitalities	Satisfactory

4.4 For Members information, Table 2 below defines what the levels of assurance Internal Audit places on the audits they complete and what they mean in practice:

Table 2

Assurance Level	**Meaning**
Satisfactory Assurance	Controls are operating satisfactorily, and risk is adequately mitigated.
Limited Assurance	Several key controls are not operating as intended and need immediate action.
No Assurance	A complete breakdown in control has occurred needing immediate action.

4.5 As members will have noted Business Continuity has been assessed as limited assurance. I have outlined the reasons for this assessment below.

- the Business Continuity Policy had not been formally circulated.
- Whilst the response structure has been subject to annual review, this had not yet received formal approval from senior management.
- the Authority had not formalised or implemented a structured approach for measuring BC awareness across the organisation.
- Not all documentation required had been provided to enable testing that arrangements comply with BCI guidance to be fully completed

4.6 In order to mitigate the risks identified, comprehensive actions have been agreed with the Assistant Director (Assistant Director for Regulatory Services). The agreed actions are detailed in **Appendix A** and cover the following areas:

- For Business Continuity Group members - Training (2-day Business Continuity Practitioner course) has been organised through the UK Resilience Academy and is scheduled to take place on the 24th – 25th September. Group members will be required to attend this training if they have not undertaken BC training previously.
- For wider training for staff - Email and supporting infographic have been produced for circulation across the Council, outlining general BC advice.
- Business Continuity Policy & statement available on Business Continuity Intranet pages. References made to documents in information email and senior officer training.
- Exercise programme currently being finalised for 2026, with Cyber exercise (Q2, 2026/27) Loss of buildings (Q4, 2026/27) planned.
- Hot debriefs take place immediately after training exercises led by HBC. These are followed up at the earliest opportunity with a full debrief, the timescale of which will be dependent on availability of key staff. Debriefs following incidents will take as soon as possible ensuring that all key staff are able to attend.

4.7 The ongoing progress of completing the agreed audit plan is detailed in Table 3 below:

Table 3

Number of Audits Started	**77**
Audits at planning stage	2
Audits at fieldwork stage	1
Audits at draft report	4
Audits finalised	70
Actions agreed	73
Actions past agreed date and not implemented	0

5. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	There is a risk that Members of the Audit and Governance Committee do not receive the information needed to enable a full and comprehensive review of governance arrangements at the Council, leading to the Committee being unable to fulfil its remit.
FINANCIAL CONSIDERATIONS	No relevant issues.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
SINGLE IMPACT ASSESSMENT	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	No consultation required.

6. RECOMMENDATIONS

6.1 It is recommended that Members note the contents of the report.

7. REASON FOR RECOMMENDATIONS

7.1 To ensure that the Audit and Governance Committee meets its remit, it is important that it is kept up to date with the ongoing progress of the Internal Audit section in completing its plan.

8. BACKGROUND PAPERS

8.1 Internal Audit Reports.

9. CONTACT OFFICER

9.1 Noel Adamson
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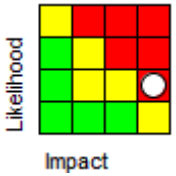
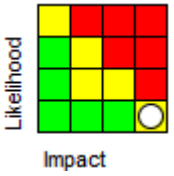
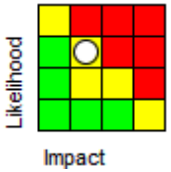
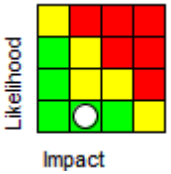
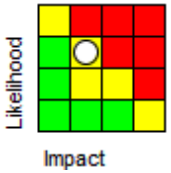
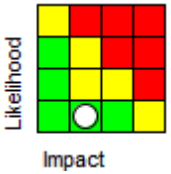
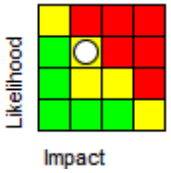
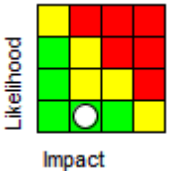
Appendix A

Audit	Objective		Assurance Level
Stores	Review arrangements for the procurement, custody and issue of stores to ensure that they are in accordance with the Council's Financial Procedure Rules so that stock items are secure from loss or misuse.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
Ineffective management of small plant leading to loss / theft or damage to assets resulting in financial loss to the Authority.		Arrangements will be introduced to ensure that responsibility for ensuring equipment will be subject to regular checks to ensure not faulty / damaged is defined and communicated.	
Ineffective management of small plant leading to loss / theft or damage to assets resulting in financial loss to the Authority.		Monthly reports will be completed and passed to Construction Manager / Highway Operations Team Leader for review and determine recharges to relevant areas	
Ineffective management of small plant leading to loss / theft or damage to assets resulting in financial loss to the Authority.		Stock check of small plant is to be undertaken on a six-monthly rolling basis to ensure that assets in place agree with Hilti records. Missing assets will be recharged to relevant service areas.	

Audit	Objective	Assurance Level
Youth Offending Services	Review Youth Justice Service strategic governance arrangements.	**Satisfactory**

Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.			

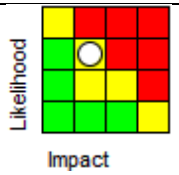
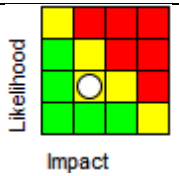
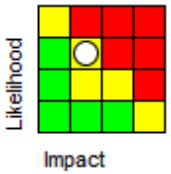
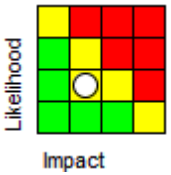
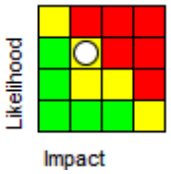
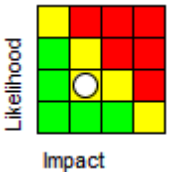
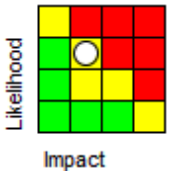
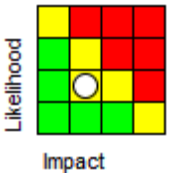
Audit	Objective	Assurance Level
Car Parking	Assess and provide assurance on the controls in place to mitigate risks in the following areas: audit will focus on the following areas: Enforcement (only fines issued, payment of fines and unpaid fines); GDPR Compliance.	**Satisfactory**

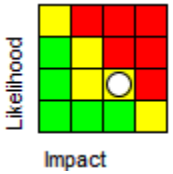
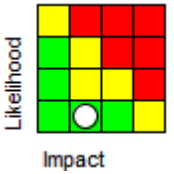
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Lack of enforcement of traffic contraventions due to ineffective arrangements and inconsistencies in enforcement procedures resulting in and a loss of income and potential reputational damage.		Manually access the 6000 code report monthly to start with (and potentially move to quarterly if volume is more reasonable to check at this period) and check to see if any items have got stuck in the workflow and action as appropriate.	

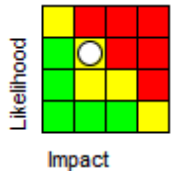
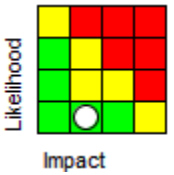
Audit	Objective		Assurance Level
Concessionary Travel	Review applications for the scheme to ensure that passes are awarded only to applicants who meet defined eligibility criteria as well as procedures for replacing lost / stolen or faulty cards to ensure that appropriate controls are in place to prevent misuse of cards.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
No unmitigated risk identified.			

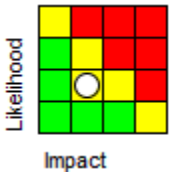
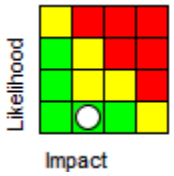
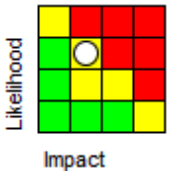
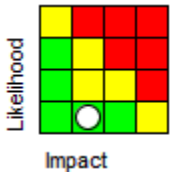
Audit	Objective		Assurance Level
IT Access Controls (Network)	Ensure IT application/administration controls in place.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
No unmitigated risk identified.			

Audit	Objective		Assurance Level
Fuel Management	Assess and provide assurance on the controls in place to mitigate risks in the following areas: Contract & Procurement Procedure Rules, Fuel Purchase, Fuel Costs, Fuel Usage, System Security.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
Staff do not follow or are aware of ordering processes leading to non-compliance with Contract Procedure Rules and/or contract terms and conditions, resulting in non-compliance with legislation and/or a negative impact on the budget.		From now on unless YourNRG state that we must, we will only agree to one delivery of 30,000 litres so that that order is not split. If we have no say in this matter, then staff are now aware that if the deliveries are split then this will mean the fixed charge will differ from the usual 1.4p that we add on to the cost when ordering the 30,000 litres	

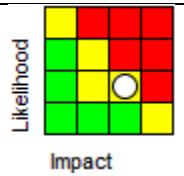
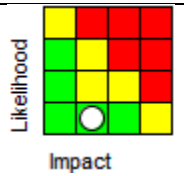
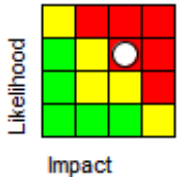
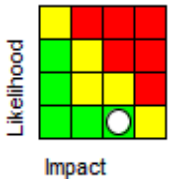
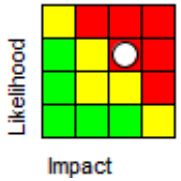
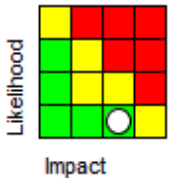
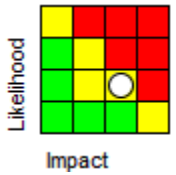
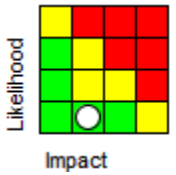
			
Ineffective fuel cost arrangements are in place leading to inaccurate calculations and potentially being unable to report on and react to the impact of fluctuating prices resulting in a negative impact on the budget and potential loss of income to the Authority.		At the next end of year stock check, we will include all of Derv, Gas Oil and Ad-Blu	
Ineffective fuel cost arrangements are in place leading to inaccurate calculations and potentially being unable to report on and react to the impact of fluctuating prices resulting in a negative impact on the budget and potential loss of income to the Authority.		Will be speaking to the relevant staff to make sure that they are aware of the figure that they are to enter when inputting the deliveries on to the fuel system so that discrepancies don't occur in the future.	
Fuel usage is not effectively managed leading to excessive or fraudulent use of fuel not being identified resulting in financial losses to the Authority.		Currently going through the information that was provided during the audit and 'cleaning up' Fueltek system so that the system properly reflects the drivers that can draw fuel as of April 2026. The same is happening regarding fuel genie cards and the system we use.	

Audit	Objective		Assurance Level
Summerhill	Provide assurance on the controls in place to mitigate risks in the following areas: Financial Management, Bookings & Income, Expenditure/Procurement, Staffing, Performance Management, Asset Management, Risk Management/Health & Safety and GDPR/Data Protection.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
Ineffective budgetary control arrangements leading to significant budget variances resulting in budget overspend		Budget build for 26/27 is reflective of current projected expected expenditure and income. Copy of the budget build has been shared with Finance and amendments should be made for financial year 26/27.	

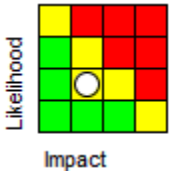
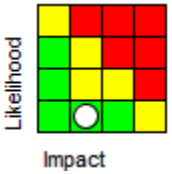
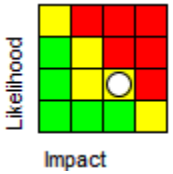
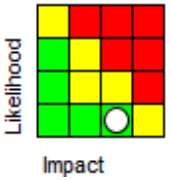
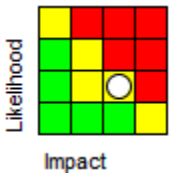
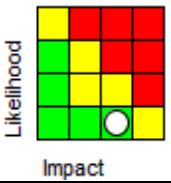
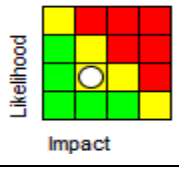
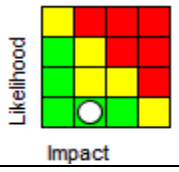
Audit	Objective		Assurance Level
Sickness Monitoring	Review arrangements for monitoring sickness to ensure compliance with the Policy Framework.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
Failure to enforce compliance with Council sickness absence policy / procedures leading to inconsistent practices across the Council, resulting in breach of Council Policy and failure to support employees.		Managers and employees are informed of mandatory training requirements and are equally responsible for booking and completing required courses, including when employees move into a managerial role. Sickness Absence Management training is delivered as a face-to-face course and is advertised through the Workforce Development Programme. Completion of this mandatory training is recorded on Resourcelink. In addition, a mandatory Sickness Absence Management e learning module is available on Skillgate. Regular reports are produced to identify	

		managers with outstanding mandatory training requirements via Skillgate, Managers continue to be reminded of their responsibilities through workforce development communications. Establish with the OD service any measures for capturing employees who have not undertaken mandatory training.	
Failure to enforce compliance with Council sickness absence policy / procedures leading to inconsistent practices across the Council, resulting in breach of Council Policy and failure to support employees.		Managers are responsible for ensuring sickness absence is accurately recorded and updated on MyView. Payroll and HR provide secondary oversight through their routine processes, including monthly sickness reporting, which identifies anomalies such as open-ended absences where a return to work may have occurred.	
Failure to enforce compliance with Council sickness absence policy / procedures leading to inconsistent practices across the Council, resulting in breach of Council Policy and failure to support employees.		Guidance does not currently explicitly state that it is mandatory for managers to upload all sickness absence documentation to MyView, although it provides instructions on how this should be done. To address this and reinforce compliance, the MyView Sickness Guidance for Managers will be updated to clearly explain the uploading of all relevant documentation, including fit notes, return to work forms, sickness review meeting notes and outcome letters.	

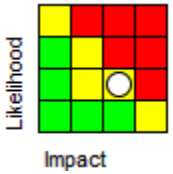
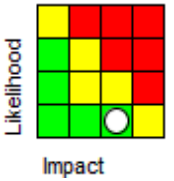
Audit	**Objective**		**Assurance Level**
Insurances	The scope of the audit will include the following: Insurance Strategy; Risk Management; Use of Resources; Insurance Requirements; Insurance Policies; Claims Processing; Claims Monitoring; Self Fund; GDPR and Application Audit of Figtree.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
The council does not have an Insurance Strategy that considers the insurance needs of the council, leading to a lack of awareness of		An Insurance Strategy will be developed for future use.	

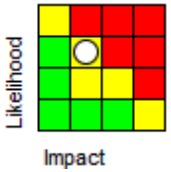
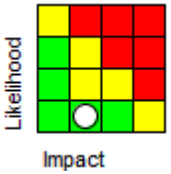
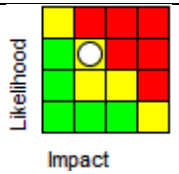
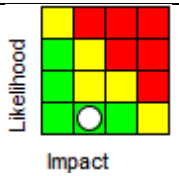
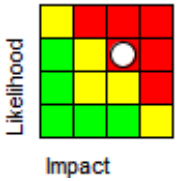
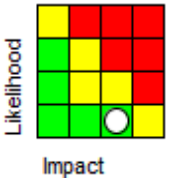
the overall level of risk resulting in inadequate insurance cover.			
Ineffective arrangements for recharging departmental budgets may lead to incorrect costings and the costs of provision of insurance cover may not be recovered from third parties resulting in financial loss.		There has been a review of insurance recharges to third parties, for example, Court of Protection and Mortgages properties, which have been implemented. A review of department recharges will be undertaken with Finance, with subsequent discussions with departments where appropriate.	
Inadequate reporting and monitoring of the number and costs of claims which could lead to inappropriate action taken to reduce future potential claims resulting in financial loss and reputational damage.		1. Claims monitoring for incidents during the past 12/18 months to be undertaken, with Motor policy identified as the priority. The focus will be on reports to Department Managers/supervisors which links with the Motor Accident Plan. Six monthly reports to be developed for Assistant Directors, probably January and July/August to accord with the policy year. 2, Reports on liability/property claims to be developed with reports to Managers and separate higher level reports to Assistant Directors.	
There is no or insufficient review of the Self Insurance Fund to ensure its value is proportionate and reasonable to cover potential excesses, leading to either insufficient/too much money being held to cover costs, resulting in adverse impact on budget position.		1. Council to provide the relevant data to enable the review and secondly Marsh to conduct the review and feedback to the Council. 2. Marsh, the Council's insurance broker, has been commissioned to conduct an actuarial review of the Insurance Fund.	

Audit	Objective	Assurance Level
Business Continuity	Provide assurance on the controls in place to mitigate risks in the following areas: Establishing a Business Continuity Management System (BCMS; Embracing Business Continuity, Analysis, Solutions Design, Enabling Solutions, Validation, GDPR/Data Protection.	**Limited**

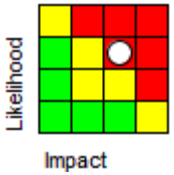
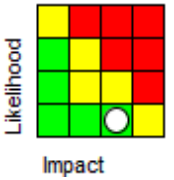
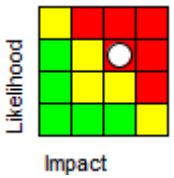
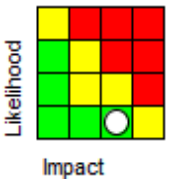
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
A Business Continuity Management System has not been established and approved by senior management leading to the Authority being unable to prepare for, provide and maintain controls and capabilities for managing the organisation's overall ability to operate during disruptions.		For group members - Training (2-day Business Continuity Practitioner course) has been organised through the UK Resilience Academy and is scheduled to take place on the 24th – 25th September. Group members will be required to attend this training if they have not undertaken BC training previously. wider training for staff - Email and supporting infographic have been produced for circulation across the Council, outlining general BC advice.	
The Authority does not have a structured approach for measuring and improving its BC culture leading to a lack of awareness amongst employees and a BC system that is not fit for purpose resulting in a lack of adequate resilience for prioritised activities in the event of a disruption.		Policy & statement available on BC Intranet pages. References made to documents in information email and senior officer training (see Action 2 - wider training for staff).	
Competencies are not measured leading to the quality of the BCMS and effectiveness of the BC capabilities not being tested resulting in the inability to prove or disprove the efficacy of the resources deployed to deal with incidents.		Exercise programme currently being finalised for 2026. Cyber exercise (Q2, 2026/27) Loss of buildings (Q4, 2026/27)	
Competencies are not measured leading to the quality of the BCMS and effectiveness of the BC capabilities not being tested resulting in the inability to prove or disprove the efficacy of the resources deployed to deal with incidents.		Hot debriefs take place immediately after training exercises led by HBC. These are followed up at the earliest opportunity with a full debrief, the timescale of which will be dependent on availability of key staff. Debriefs following incidents will take as soon as possible ensuring that all key staff are able to attend.	

Audit	Objective		Assurance Level
Members Allowances	he objective of the audit review is to assess and provide assurance on the controls in place to mitigate risks in the following areas: Independent Remuneration Panel (IRP), Legislation, Payment of Allowances, Records and Publication, GDPR/Data Protection.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
No unmitigated risk identified			

Audit	Objective		Assurance Level
Procurement Policy	Provide assurance that Hartlepool Borough Council has developed arrangements to comply with the recently introduced Procurement Act 2023 and its associated regulations.		**Satisfactory**
Risk Identified	**Risk Level prior to action implemented**	**Action Agreed**	**Risk Level after action implemented**
Staff are not aware of their responsibilities as a result of failure to effectively communicate the Councils policy / procedures on procurement leading to breach of legislation and failure to procure goods and services in a transparent manner.		Development of Detailed Guidance for sub £30K procurement activity -Produce a practical “Low Value Procurement Guide” specifically for procurements under £30,000. This will be interlined with instructions on the use of the OPEN e-tendering system. -Include clear step-by-step instructions and minimum compliance requirements. Implement a suite of procurement templates, including -Pre-procurement checklist -Quotation and evaluation templates -Conflict of Interest declarations	

Staff are not aware of their responsibilities because of failure to effectively communicate the Councils policy / procedures on procurement leading to breach of legislation and failure to procure goods and services in a transparent manner.		Development of a simple, concise summary that explains the main points of procurement. Provide detail on important considerations when making a procurement in the recently implemented Newsletter (issued fortnightly). At a recent Managers Forum (20th/22nd May) – guidance was provided to Managers re thresholds, important considerations and social value approach. Discuss with relevant officer the development of some high level training on Skill Gate.	
Staff are not aware of their responsibilities as a result of failure to effectively communicate the Councils policy / procedures on procurement leading to breach of legislation and failure to procure goods and services in a transparent manner.		Include a paragraph on modifying/terminating a competitive procurement exercise in a Procurement Regulations 23 compliant manner.	
Staff are not aware of their responsibilities as a result of failure to effectively communicate the Councils policy / procedures on procurement leading to breach of legislation and failure to procure goods and services in a transparent manner.		The OPEN System is an external site, and users can only work within the parameters provided, i.e., 1 person to open the tender. However, a CPT rep can be added to the project, this will be added to the <£30K guidance document.	

Audit	Objective	Assurance Level
Gifts and Hospitalities	Ensure policy in place is communicated to employees and adhered to.	**Satisfactory**

Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
There is no Code of Conduct leading to employees unaware of their responsibilities and declaring interests and gifts resulting in legal or reputational damage.		Review the policy to ensure that Employees are aware that if they are a My View user, any declarations are to be submitted via My View. Forms are only to be completed for non-My View users. Furthermore, this will provide an opportunity to ensure that any cosmetic updates are made for example, post titles/post holders who no longer work for HBC for example, reference to Chris Little. HR to also do a corporate communication to notify of the updated policy and will also put in the HR Service Annual Workflow Programme. Gillian Laight, HR Manager will also email Lyndsy Stamper, HR Advisor to ensure that this is built into the HR Service Annual Workflow Programme.	
Declarations are not declared and/or recorded leading to a lack of transparency resulting in legal or reputational damage and noncompliance with the Code.		HR Team to be advised that any Code of Conduct Declarations of a manual/paper-based nature, will be saved into RL and not Enterprise. The forms will be saved under 'Code of Conduct – Additional Information'. This will be communicated via internal email to the HR Service Team.	

Hartlepool Borough Council

AUDIT AND GOVERNANCE COMMITTEE

14th JULY 2026

Report of: Head of Audit and Governance

Subject: HEAD OF AUDIT AND GOVERNANCE ANNUAL OPINION

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. PURPOSE OF REPORT

2.1 This report provides members with the Head of Audit and Governance assurance opinion on the adequacy and effectiveness of the Council's internal control environment.

2.2 The report also informs members of the outcomes of audit work covering the period April 2025 to March 2026.

3. BACKGROUND

3.1 This report summarises the work carried out by internal audit during the financial year 2025/26 and provides assurance on the effectiveness of the Council's internal control environment, risk management and corporate governance arrangements in place during the year.

3.2 The requirement for an internal audit function is contained within Section 151 of the Local Government Act 1972 which requires Local Authorities 'make arrangements for the proper administration of their financial affairs and ensure that one of its officers has responsibility for the administration of those affairs". Authority has been delegated to the Director of Finance IT and Digital to fulfil this function.

3.3 Part 2, Regulation 5 of the Accounts and Audit Regulations 2015 require that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

3.4 The Public Sector Internal Audit Standards (PSIAS) established in 2013 (revised in 2016 and 2017) are the agreed professional standards for internal audit in local government. The PSIAS remained in effect until March 2025. From April 2025, the PSIAS were replaced by the Global Internal Audit Standards (GIAS), subject to the interpretations and requirements of an Application Note: Global Internal Audit Standards in the UK public sector.

3.5 The application note provides a framework for the practice of internal audit in the UK public sector when taken together with the GIAS. It sets out interpretations and requirements which need to be applied to the GIAS requirements, to ensure that these form a suitable basis for internal audit practice in the UK public sector. To comply with the GIAS and the Application Note, the Internal Audit Charter was updated in 2025/26 to reflect the requirements of the new Standards.

3.6 The Annual Internal Audit Report should therefore be considered in the context of fulfilling the above requirement. The annual internal audit opinion contributes to the completion of the Annual Governance Statement (AGS).

3.7 Internal Audit has a professional duty to provide an unbiased and objective view of the Council's Internal Control environment. Internal Audit is independent of the processes that it evaluates.

3.8 No system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance. This report provides accountability for internal audit delivery and performance and allows Members to monitor the application of the delegated authority for ensuring an effective and satisfactory internal audit function.

3.9 All auditors are instructed to declare if they have any links to the subject matter of any audits undertaken or relationships with auditees that could compromise the impartiality or objectivity of the work undertaken. If a declaration is made, arrangements are in place to ensure the independence of internal audit and that individuals are protected.

3.10 Information for Members on the standards of financial administration and management arrangements operating within the Authority is detailed in this report, together with a progress report on the extent of implementation of audit action plans. The consideration and effective implementation of audit action plans is fundamental in ensuring effective financial stewardship and robust financial systems, controls and procedures.

3.11 This report also details the performance of internal audit in 2025/26 on a range of key performance indicators.

3.12 Hartlepool Borough Council also provides audit services to Cleveland Fire Authority. In addition to the audits detailed in **Appendix A**, internal audit completed 13 major systems and probity reviews for the CFA during 2025/26.

3.13 Staffing resources were as anticipated and a balanced program of work covering all Council departments was achieved for 2025/26.

4 ROLES AND RESPONSIBILITIES

4.1 The council is accountable collectively for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The AGS is an annual statement by the council setting out:

- how the responsibilities of the council are discharged with regards to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives
- the purpose of the governance arrangements as evidenced by a description of the risk management and review processes
- the conduct and results of the review of the effectiveness of the system of internal control, including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising

4.2 The council's framework of assurance should bring together all the evidence required to support the AGS. In addition to the assurances provided by both internal audit and external audit over the adequacy of the controls in place to manage key risks, there are numerous internal mechanisms through which management can provide their own assurances that the risks that they have ownership of are being managed effectively. In addition, there are also assurances provided by various external bodies which are independent of the organisation.

5 THE OBJECTIVES AND SCOPE OF INTERNAL AUDIT

5.1 The objectives and scope of internal audit are set out in the Internal Audit Strategy and Charter. In accordance with the GIAS, the Internal Audit Strategy and Charter is reviewed by the Audit & Governance Committee on an annual basis. Internal Audit work during 2025/26 was performed in accordance with

the Internal Audit Strategy and Charter approved by the Audit & Governance Committee in March 2025. The Audit Strategy and Charter define the mission, mandate, scope, roles, and responsibilities of the internal audit function.

5.2 The opinion does not imply that internal audit has reviewed all risks and assurances relating to the council. The purpose of the opinion is to contribute to the assurances available to the council which underpin the council's own assessment of the effectiveness of the organisation's governance arrangements and system of internal control.

6. HEAD OF INTERNAL AUDIT OPINION ON THE EFFECTIVENESS OF INTERNAL CONTROL

6.1 Based on the audit work undertaken for the 2025/26 internal audit plan, the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice.

6.2 Where audits have resulted in 'Limited/No Assurance' opinions, and we have highlighted weaknesses that may present risk to the council, we have agreed actions to further improve the arrangements in place. Although significant to the control environment in place for the individual system areas that have been audited, these weaknesses are not material enough to have a significant impact on the overall opinion on the adequacy of the Council's governance, risk management and control arrangements at the year end.

7 THE PROCESS OF ARRIVING AT THE OPINION

7.1 The basis for forming my opinion is as follows:

- ongoing support and review of the design and operation of the governance arrangements including supporting processes, the Code of Corporate Governance and the process for producing the Annual Governance Statement
- an assessment of the risk management arrangements and the framework of assurance
- an assessment of the range of individual opinions arising from risk-based audit assignments, contained within the internal audit risk-based plan, that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses (this is summarised in Section 8 below)

7.2 In addition to these considerations, I have also considered the work of Internal Audit in previous years, particularly around key financial systems. There have been no significant changes to these systems and the council's external auditors have issued unqualified opinions on the financial statements and the value for money conclusion.

7.3 Taking all these considerations into account, I have concluded that I am able to issue an opinion for 2025/26 without any limitations of scope.

8 SUMMARY OF THE INTERNAL AUDIT WORK USED TO INFORM THE OPINION

8.1 **Appendix A** details the status and assurance level placed on planned audits in 2025/26. Table 1 below summarises completed coverage over the year.

Table 1 – Audit Plan Coverage

Number of planned audits	**74**	
Number of audits undertaken	**77**	%
Number of audits completed	63	82
Number of audits ongoing	6	8
Number of audits deferred	8	10

Of the audits deferred, 6 of the 8 have been carried forward into the 2026/27 internal audit plan as agreed by the committee. The remaining 2 audits could not be undertaken and have been removed from the plan.

Table 2 below summarises the levels of assurance placed on the completed audits over the course of the year.

Table 2 – Assurance level of completed audits

Number of Audits Completed	**63**	%
Satisfactory Assurance	53	84
Limited Assurance	2	3
No Opinion Provided	8	13

8.2 Fundamental Financial Systems
The internal audit plan included reviews of the fundamental financial systems in 2025/26. The volume of work undertaken in this area was structured to ensure all major risks are covered on a rolling programme basis. The fundamental financial systems benefit from established and stable system procedures and audit testing found no high priority issues.

8.3 ICT Governance
Internal audit has covered high risk Council IT application systems in 2025/26 and works with CICT to champion the move to new technology platforms. Audit testing in these areas found no high priority issues.

8.4 Risk Management Arrangements
The corporate risk register is populated with risks to the achievement of the council's corporate objectives, and all risks are categorised and allocated to a responsible Officer. Risk management arrangements provide a key source of assurance for the Council. As part of the development of the corporate risk register, Internal Audit continue to provide support and guidance to senior management in its development.

8.5 Grant Assurance
Internal Audit continues to provide assurance on the processes in place to manage grant expenditure in line with grant terms and conditions in the following areas:

- Connect to Work Grant
- Core Learning Skills Grant
- UK Shared Prosperity Fund
- LUF/Town Deal Grant
- Highways Capital Grant
- Highways Potholes Grant
- Highways Traffic Signals Grant
- Warm Homes Grant
- Refugee / Asylum Seekers Grant

9 FOLLOW UP

9.1 Internal Audit reports are issued to auditees following a discussion of any audit findings and risks. Where findings are to be reported, each report includes an Action Plan developed by management and agreed with Internal Audit, recording:

- Action taken to revise systems, procedures and operating arrangements.
- A timescale for introducing the action plan improvements.
- An officer responsible for implementing the action

9.2 In accordance with GIAS, a system of follow up of agreed action plans is in operation to monitor what action has been taken by management in response to audit work. During 2025/26, all audits completed, that had reached the date when a follow up was due, have been the subject of follow up activity. Table 3 below details the status of follows as at the end of July 2026.

Table 3 – Follow Up Status

Actions agreed in completed audits	**73**
Actions implemented	42
Actions not yet due	31

All actions are followed up in line with deadlines agreed by management. New follow up procedures have been implemented for 2025/26 in line with GIAS. This will ensure more detailed and timely information is provided to management and members regarding the implementation of actions agreed.

10 INTERNAL QUALITY ASSURANCE & IMPROVEMENT PROGRAMME

10.1 Internal Audit's Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of the Internal Audit activity that Internal Audit:

- Performs its work in compliance with its Charter, which is consistent with GIAS
- operates in an effective and efficient manner
- is perceived by stakeholders as adding value and improving internal Audit's operations

10.2 Internal Audit is committed to the delivery of a quality service, which accords with the GIAS, and to being responsive to the needs of service departments. In common with other central service providers, several core performance indicators for Internal Audit Services have been determined for 2025/26. Performance against these targets is detailed in Table 4 below:

Table 4 - Internal Audit Performance Indicators

Indicator	Target Set for 2025/26	Actual Performance 2025/26
Completion of fundamental systems audits provides assurance that financial procedures are operating effectively.	90%	100%
In addition to managing auditor reviews, quality reviews of Teammate working paper files and evidence by the Head of Audit and Governance to ensure compliance with the standards laid down in Codes of Practice and adopted in the Internal Audit Manual.	10%	10%
Annual Report to Members by 30th July following year-end.	30.07.26	14.07.26

10.3 As well as audit plan completion, several service improvement targets were identified in the section's development plan. Table 5 below details targets set and their achievement during 2025/26.

Table 5 – Service Improvements

Target	Activity	Outcome
Maintain an effective process for recording, managing and reporting internal audit work.	Implement electronic document request function. Roll out new follow up process. Update reports.	Done
Continue the review/ development of Teammate, Power BI and Excel.	Provide individual CIPFA Power BI and Excel training as reflected in individual auditor training plans.	Delivered
Improve reporting to AD's and Directors.	Trial Power BI dashboard to communicate to Directors/ Managing Directors	Implemented

Assess if we are obtaining feedback from all relevant stakeholders, including feedback from auditors.	Review GIAS to ensure compliance with feedback. Feedback needed from ELT, Audit and Governance Committee and IA team.	Ongoing
Maintain an effective process for recording, managing and reporting internal audit work.	Review document request process considering M365 platform. Move to cloud based hosted Teammate database.	Implemented
Agree and facilitate Audit and Governance Committee self-assessment	Agree with Management and Audit and Governance Committee for 25/26.	Ongoing

10.4 As per GIAS requirements, an External Assessment of HBC Internal Audit must be completed once every five years. A self-assessment was undertaken in 2024 and then externally reviewed by CIPFA. The external assessment concluded:

"It is our opinion that the self-assessment for the Internal Audit Service is accurate, and we therefore conclude that they GENERALLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note".

10.5 This is the highest level of conformance that can be achieved and is a positive outcome, reflecting the high standards that Internal Audit adhere to when carrying out their duties. CIPFA have concluded that the relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, comply with the requirements of the individual Standard, the element of the Code of Ethics, and the Local Government Application Note in all material respects.

11 OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	There is a risk that Members of the Audit and Governance Committee do not receive the information needed to enable a full and comprehensive review of governance arrangements at the Council, leading to the Committee being unable to fulfil its remit.
FINANCIAL CONSIDERATIONS	No relevant issues,
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
SINGLE IMPACT ASSESSMENT	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.

ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	No consultation required.

12. RECOMMENDATION

12.1 That Members note the contents of the report.

13. REASONS FOR RECOMMENDATIONS

13.1 The information in the report allows members of the committee to review the opinion of the Head of Audit and Governance and fulfils the statutory requirement of the Head of Audit and Governance.

14. BACKGROUND PAPERS

14.1 Internal Audit Reports.
Internal Audit Quarterly Updates.
Global Internal Audit Standards.
Application Note: Global Internal Audit Standards in the UK public sector.

15. CONTACT OFFICER

15.1 Noel Adamson
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Hartlepool
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Email: Noel.Adamson@Hartlepool.gov.uk

Appendix A

Project Name	Opinion	Phase	Assistant Directors
Deferred Payments	Satisfactory Assurance	Final Report	John Lovatt
Domestic Abuse Act	Deferred		John Lovatt
Better Care Fund		Ongoing	John Lovatt
Hospital Discharges	Satisfactory Assurance	Final Report	John Lovatt
CareFirst	Satisfactory Assurance	Final Report	John Lovatt
Controcc	Satisfactory Assurance	Final Report	John Lovatt
Gladstone Leisure Management System	Satisfactory Assurance	Final Report	Gemma Ptak
Museum and Art Gallery	Limited Assurance	Final Report	Javed Khan
Town Hall Theatre/Borough Hall	Removed		Gemma Ptak
Summerhill	Satisfactory Assurance	Final Report	Javed Khan
Connect to Work Grant	No Opinion Provided	Final Report	Gemma Ptak
Core Learning Skills Grant	Satisfactory Assurance	Final Report	Gemma Ptak
UK Shared Prosperity Fund	Satisfactory Assurance	Final Report	Gemma Ptak
Kingsley Primary School	Satisfactory Assurance	Final Report	Amanda Whitehead
Schools Capital	Removed		Amanda Whitehead
Dedicated Schools Grant		Ongoing	Fiona Stobbs
ICS Liquid logic - Children's Services	Satisfactory Assurance	Final Report	Amanda Whitehead
Children's Homes	Satisfactory Assurance	Final Report	Laura Gough
Youth Offending Services	Satisfactory Assurance	Final Report	Laura Gough
DHLUC LUF / Town Deal Grant	Satisfactory Assurance	Final Report	Scott Parkes
Risk Management	No Opinion Provided		Denise McGuckin
Procurement Policy	Satisfactory Assurance	Final Report	Paul Dixon
HRA - Asset Management	Satisfactory Assurance	Final Report	Scott Parkes
Housing Advice and Homelessness	Deferred		Gemma Ptak
Gas Safety Management	Satisfactory Assurance	Final Report	Kieran Bostock
Stores	Satisfactory Assurance	Final Report	Scott Parkes
Recycling/Landfill	Satisfactory Assurance	Final Report	Scott Parkes
National Driver Offender Rehabilitation	Satisfactory Assurance	Final Report	Scott Parkes
Concessionary Travel	Satisfactory Assurance	Final Report	Scott Parkes
Fuel Management	Satisfactory Assurance	Final Report	Scott Parkes
Trade Refuse/Special Collections	Satisfactory Assurance	Final Report	Scott Parkes
Planning and Building Control	Deferred		Scott Parkes
Highways Capital Grant	Satisfactory Assurance	Final Report	Kieran Bostock
Highways Pothole Grant	No Opinion Provided		Kieran Bostock
Highways - Traffic Signal Grant	No Opinion Provided		Kieran Bostock
Warm Homes Grant	Satisfactory Assurance	Final Report	Sylvia Pinkney
Disaster Recovery/Business Continuity	Limited Assurance	Final Report	Sylvia Pinkney
Licencing	Satisfactory Assurance	Final Report	Sylvia Pinkney
Car Parking	Satisfactory Assurance	Final Report	Sylvia Pinkney
Health and Safety		Ongoing	Sylvia Pinkney
Smoking Cessation Services	Deferred		Chris Woodcock
Drugs and Alcohol Services Contract	Deferred		Chris Woodcock
Refugee / Asylum Seekers Grant		Ongoing	Suzanne Halliwell
GP provided Health Checks	Deferred		Chris Woodcock
Benefits - Housing	Satisfactory Assurance	Final Report	Paul Dixon
Council Tax	Satisfactory Assurance	Final Report	Paul Dixon
Enterprise	Satisfactory Assurance	Final Report	Laura Griffiths
Firmstep	Satisfactory Assurance	Final Report	Laura Griffiths
Iworld	Satisfactory Assurance	Final Report	Laura Griffiths
Local Council Tax Support Scheme	Satisfactory Assurance	Final Report	Paul Dixon
NNDR	Satisfactory Assurance	Final Report	Paul Dixon
NFI	No Opinion Provided		Paul Dixon
Budgetary Control	Satisfactory Assurance	Final Report	Paul Dixon

Cash/Bank	Satisfactory Assurance	Final Report	Paul Dixon
Creditors	Satisfactory Assurance	Final Report	Paul Dixon
Debtors	Satisfactory Assurance	Final Report	Paul Dixon
Insurances	Satisfactory Assurance	Final Report	Paul Dixon
Loans & Investments	Satisfactory Assurance	Final Report	Paul Dixon
Main Accounting	Satisfactory Assurance	Final Report	Paul Dixon
Officers Expenses	Satisfactory Assurance	Final Report	Paul Dixon
Salaries and Wages	Satisfactory Assurance	Final Report	Paul Dixon
V.A.T.	Satisfactory Assurance	Final Report	Paul Dixon
Integra	Satisfactory Assurance	Final Report	Paul Dixon
ResourceLink & MyView	Satisfactory Assurance	Final Report	Paul Dixon
Fraud Awareness		Ongoing	Paul Dixon
Members Allowances/ Travel/ Subsistence	Satisfactory Assurance	Final Report	Neil Wilson
Attendance Management		Ongoing	Hayley Martin
Equality, Diversity and Inclusion	Satisfactory Assurance	Final Report	Hayley Martin
Registers of Interest/ Gifts and Hospitalities	Satisfactory Assurance	Final Report	Hayley Martin
IT Annual Review of Risk	No Opinion Provided		Laura Griffiths
HUUME Application Audit	Satisfactory Assurance	Final Report	Gemma Ptak
IT Application Audit Self-Assessment Survey	No Opinion Provided		Laura Griffiths
IT Artificial Intelligence	Satisfactory Assurance	Final Report	Laura Griffiths
IT Strategic Risks	Satisfactory Assurance	Final Report	Laura Griffiths
SystmOne Application Audit	Satisfactory Assurance	Final Report	Chris Woodcock
IT Access Controls (Network)	Satisfactory Assurance	Final Report	Laura Griffiths
IT Business Continuity Plan	No Opinion Provided		Laura Griffiths

Hartlepool Borough Council

AUDIT AND GOVERNANCE COMMITTEE

14th JULY 2026

Report of: Director of Finance, IT and Digital

Subject: ANNUAL GOVERNANCE STATEMENT 2025/26

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. PURPOSE OF REPORT

2.1 To inform Members of the implications to the Council of the Accounts and Audit Regulations (England) 2015 requirement; that the Council publish an Annual Governance Statement (AGS) with the Financial Statements and the action undertaken by the Council to meet its obligations within the scope of the Regulations. The 2025/26 AGS is attached as **Appendix A.**

2.2 The report considers the following areas:
- Why the Council needs an AGS,
- Who is responsible,
- How the AGS was produced.

3. BACKGROUND

3.1 WHY

3.2 To clearly demonstrate to stakeholders, that the Council has adequate arrangements in place to ensure that it effectively manages and controls its financial and operational responsibilities in accordance with acknowledged best practice. Paragraphs 3.3 to 3.4 detail positive benefits to the Council of achieving this end.

3.3 Statutory Requirement

The Accounts and Audit Regulations require that: “the Council ensures that its financial management is adequate and effective and that there is a sound system of internal control which effectively facilitates its functions and which includes arrangements for the management of risk. The Council shall conduct a review at least once a year of the effectiveness of its internal controls and shall include a statement on internal control with any statement of accounts it is obliged to publish”.

3.4 Good Governance

Production and publication of an AGS are the final stages of an ongoing review of internal control and are not activities which can be planned and viewed in isolation. Compilation of an AGS involved the Council in:

- Reviewing the adequacy of its governance arrangements,
- Knowing where it needs to improve those arrangements, and
- Communicating to users and stakeholders how better governance leads to better quality public services.

3.5 WHO

3.6 Corporate Responsibility

The Council’s system of internal control must reflect its overall control environment, not just financial, which encompasses its organisational structure. Internal control is a corporate responsibility, and the scope of internal control accordingly spans the whole range of the Council’s activities and includes controls designed to ensure:

- The Council’s policies are put into practice and its values are met,
- Laws and regulations are complied with,
- Required processes are adhered to,
- Financial statements and other information are accurate and reliable,
- Human, financial and other resources are managed efficiently and effectively, and
- High quality services are delivered efficiently and effectively.

3.7 Contributors to the AGS

- Audit and Governance Committee

- ELT
- Director of Finance, IT and Digital
- Monitoring Officer
- External Auditors and other Review Bodies
- Internal Audit and
- Management.

3.8 **HOW**

3.9 Having established a system of internal control, it is then necessary to consider which of these controls are key in mitigating against significant risk. By obtaining assurance on the effective operation of these key controls the Council is able to conclude on the effectiveness of the systems and identify where improvement is needed.

The review of internal control and AGS assurance gathering included:
- Establishing obligations and objectives,
- Identifying principal risks,
- Identifying and evaluating key controls to manage risks,
- Obtaining assurances on the effectiveness of controls,
- Evaluating assurances,
- Action planning to correct issues and continuously improve.

3.10 In practice the Council already had most of the necessary internal controls in place, what was required was to incorporate them into a framework for producing an AGS that met the requirements of the Regulations. In order to do this the Council has:
- Identified roles and responsibilities,
- Provided training,
- Gone through a process of establishing objectives, identifying risks and recording controls,
- Gathered and retained evidence for inspection,
- Drafted the AGS.

3.11 The AGS will form part of the Councils Statement of Accounts and will be publicised and available on the Councils Website or by request to the Councils Contact Centre.

4. PROPOSALS/ISSUES FOR CONSIDERATION

4.1 To clearly demonstrate to stakeholders, that the Council has adequate arrangements in place to ensure that it effectively manages and controls its financial and operational responsibilities in accordance with acknowledged best practice.

5. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	There is a risk that Members of the Audit and Governance Committee do not

	receive the information needed to enable a full and comprehensive review of governance arrangements at the Council, leading to the Committee being unable to fulfil its remit.
FINANCIAL CONSIDERATIONS	No relevant issues.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
SINGLE IMPACT ASSESSMENT	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	No consultation required.

6. RECOMMENDATIONS

6.1 That Members review and approve the attached 2025/26 Annual Governance Statement.

7. REASONS FOR RECOMMENDATIONS

7.1 In order for members to fulfil the remit of the committee it is important they review and approve the Annual Governance Statement in the context of all reports and information received over the course of the municipal year.

8. BACKGROUND PAPERS

8.1 Accounts and Audit Regulations 2015;
CIPFA/Solace Good Governance Framework;
Internal Audit Opinion/Reports;
External Audit Reports.

9. CONTACT OFFICER

9.1 James Magog
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Appendix A

HARTLEPOOL BOROUGH COUNCIL
ANNUAL GOVERNANCE STATEMENT

1 Scope of Responsibility

1.1 Hartlepool Borough Council is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards,
- Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

1.2 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.3 In discharging these overall responsibilities, Hartlepool Borough Council is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.4 The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*. This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, Part 2 6(1) (a), which requires the Council to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with the statement of accounts. Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015, require that for a local authority that statement is an Annual Governance Statement (AGS).

2 The Purpose of the Governance Framework

2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives

and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31st March 2026 and up to the date of approval of the statement of accounts.

3 Significant Governance Issues Update from 2024/25 Statement

3.1 Progress has been made over the course of 2025/26 to actively manage and address issues identified as part of the 2024/25 process. This approach ensures the Council actively manages these issues. The table below identifies action that has been taken to mitigate the areas identified.

Issue Raised	Action Undertaken
Delivery of Council Plan, revised Performance Assurance Framework and Medium Term Financial Strategy. The sustainability of services, level of performance and the continuing need to achieve housing growth. (Include transformation programme)	The MTFP approved in February 2026 forecast a year-on-year budget gap. The budget gap was also evident after an assumed maximum council tax increase in each of the three remaining years of the MTFP period. Given the confirmation of government funding until 2028/29, this provides a high level of certainty that this budget gap will remain. The new Council Plan 2030 was agreed by Finance and Corporate Affairs Committee in April 2025 setting out the Council's priorities for the next 5 years. A new Performance Assurance Framework was established to clearly articulate how the various strategies and plans of the Council aligned and contributed toward the four pillars of the Council Plan. A new style of Council Plan progress report was developed with quarterly reports being taken to Finance and Corporate Affairs Committee throughout the year. Each progress report focused on one of the four

Issue Raised	Action Undertaken
	pillars and included an update on the Council's Strategic Risk Register.
Delivery of Regeneration/ Capital Programme on time and budget in line with key Council objectives.	Responsibility for delivery of schemes are allocated to senior officers. Project Management Boards for major projects are embedded and are providing strategic oversight of progress and budget position. Regular updates are provided to the Capital Programme Group which enables bi-monthly reporting to the Executive Leadership Team (ELT). Regular updates are provided to Members via quarterly update reports to Finance and Corporate Affairs Committee. A refreshed Capital Strategy and Capital Programme were approved at Council on the 20 February 2025.
Potential for Cyber Security attack/breach of IT defences leading to service disruption and potentially serious financial implications.	The council uses the National Cyber Security Centre's Event Logging solution, which tracks a range of network events including staff who have clicked on links in suspicious emails. A new firewall that provides additional protection including blocking access to our network from outside the UK and 24/7 analysis of Internet access with auto blocking where activity falls outside of normal working patterns, has been implemented. Multifactor authentication has been rolled out to all staff with network access during the year to further safeguard access. Mandatory annual training for all staff in respect of cyber security and regular all staff emails give instruction on what to do with suspicious emails.
Changes to Senior Leadership Team and restructures.	The Council has seen significant change to its Executive Leadership Team in 2025/26 with two experienced Executive Directors and the Director of Public Health leaving to take up job opportunities elsewhere and the Chief Executive preparing for retirement in April

Issue Raised	Action Undertaken
	2026. This enabled a review of the organisations structure to ensure the officer leadership team are best placed to meet the on-going challenges facing local government and drive forward the councils' priorities in conjunction with our Members. A new structure was agreed by Council in August 2025, and a number of new senior appointments have been made (Chief Executive, Director of Neighbourhoods and Regulatory Services, Director of Housing, Growth and Communities, Director of Public Health, Assistant Director – Neighbourhoods, Assistant Director – Housing and Communities and Assistant Director – Inclusive Growth). While internal candidates have been successful for some of these roles, a number of officers have joined the Council from other organisations.
Impact of new government legislative requirements.	The council has responded to new government legislation introduced across the year amending its policies and procedures as required. We have also continued to follow progress on others as they have developed including the English Devolution and Community Empowerment Bill.

4 The Governance Framework

4.1 The key elements of the Council's Governance Framework are as follows:

Hartlepool Borough Council's Constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure decision-making is efficient, transparent and accountable. The Constitution is maintained in line with legislative requirements, including the Local Government Act 2000, and sets out delegated responsibilities to Committee's and officers, including the statutory officers; the Head of Paid Service, the Monitoring Officer and the Section 151 Officer. In accordance with Article 13 of the Constitution, the Monitoring Officer continues to keep the Constitution under review to ensure that its aims and principles are given full effect and that it remains fit for purpose. This conclusion is informed by the operation of the Council's Constitutional processes in practice during the year, including

the continued oversight of constitutional matters, the use of delegated decision-making and publication arrangements, and the support and advice provided to Members and officers to help ensure decisions are taken lawfully, transparently and with proper accountability.

4.2 Reviews and amendments to the Council's Constitution continued to be overseen by the Constitution Committee during 2025/26, following the substantive programme of updates completed between May 2024 and May 2025. This included consideration of governance implications arising from the senior management restructure approved by Full Council, including the creation of the Housing, Growth and Communities Directorate. Any required changes were progressed in accordance with the Council's governance arrangements and approved by Full Council where appropriate, ensuring clarity, transparency and continued alignment with legislative and operational requirements.

4.3 Officer Decision Records (ODRs) continued to be published and made available online in accordance with constitutional requirements. The Council has embedded the use of its intranet-based electronic process for the preparation and approval of officer delegated decisions, supporting improved consistency, transparency and timeliness. Member development and engagement continued through regular briefings and seminars, supporting Members to remain informed of key strategic, operational and governance matters.

4.4 Effective arrangements remain in place to identify, evaluate and respond to legislative and regulatory change. The Legal and Governance service continues to monitor legislation, case law and statutory guidance, providing timely advice and support to services and Members as appropriate. Arrangements are also in place to ensure that staff with governance and legal responsibilities are appropriately recruited, trained and supported.

4.5 The Council continues to deploy its workforce effectively through sound people management, compliance with employment legislation and adherence to best practice. A comprehensive suite of employment policies and procedures remains in place and is kept under regular review to ensure it remains current, accessible and effective in supporting managers and staff. The Council also monitors and prepares for significant changes in employment law, including the phased implementation of measures introduced through the Employment Rights Act 2025, and will update policies, procedures, guidance and training as required to support compliance and effective workforce management.

4.6 Committee terms of reference are set out within the Constitution and are subject to ongoing oversight by the Constitution Committee. Established procedures ensure that agendas, reports and minutes are published and accessible to Members, officers and the public via the Council's website, supporting openness and accountability in decision-making. Where organisational changes occurred, including the senior management

restructure and establishment of the Housing, Growth and Communities Directorate, consequential amendments to committee arrangements and officer delegations were appropriately reflected within the Constitution and supporting governance documentation.

4.7 During 2026/27 the Council will continue to strengthen its governance arrangements by keeping the Constitution, schemes of delegation and committee terms of reference under review to reflect any changes in legislation, guidance, organisational structures and ways of working. This will include maintaining focus on the quality and timeliness of decision-making and reporting, the continued embedding of the delegated decision process and publication of Officer Decision Records, and ensuring Members and officers receive appropriate development and support.

4.8 The Government has now enacted legislation to simplify local authority governance arrangements in England, including a requirement for councils operating the committee system (that are not 'protected') to transition to the Leader and Cabinet model. This is set out in the *English Devolution and Community Empowerment Act 2026*, which received Royal Assent on 29 April 2026.

4.9 Section 61 and Schedule 29 of the Act are due to come into force on 29 June 2026. From that date, the Council will have a period of 12 months to implement the required change in governance arrangements.

4.10 The Council will commence work on drafting a new Constitution to reflect the Leader and Cabinet model, while continuing to operate its existing governance arrangements in accordance with current legal requirements until the transition is complete.

4.11 The Constitution contains financial and contract procedure rules, and Code of Conduct for Members, which have been formally approved. Financial procedure rules have been updated and agreed by Council and contract procedure rules have also been updated to consider new procurement procedures and legislative requirements. The Constitution is available to all employees on the intranet and to the public on the Internet. A register of gifts and hospitality is maintained for Members and Officers.

4.12 The Authority has a Treasury Management Strategy that was approved by Audit and Governance Committee on 28th January 2025 and referred to Council for approval on 20th February 2025 for the financial year 2025/26. The approved Treasury Management Strategy includes the Investment and Borrowing strategies in compliance with revised CIPFA Prudential Code, CIPFA Treasury Management Code of Practice and Ministry of Housing, Communities and Local Government (MHCLG) guidance. The Audit and Governance Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies before making any necessary recommendations to Council.

4.13 The full range of Member committees regularly meet to review specific policy areas, to consider plans, reports and progress of the Council.

4.14 An updated Code of Conduct for Employees continues to be promoted to all employees. Health & Safety training continues to be a mandatory element of the induction process. All managers are required to undertake Health & Safety training on Skill Gate and are automatically signed up for IOSH Managing Safety.

4.15 The Workforce Strategy (2023-2026) continues to be promoted. This includes through revised HR policies aimed to bring these into everyday workplace practices and encounters, such as the Annual Review and 1:1 policy, our Bullying and Harassment including Sexual Harassment Policy, our Workforce Equality, Diversity and Inclusion (EDI) Policy with 2 year action plan, our new Jobs and Careers Website, to ensure our employees are treated fairly, with respect and dignity, and our new mandatory induction training for new managers to shape our culture into the future.

4.16 Employee Wellbeing and Engagement has been a key focus in 2025/26 with the Council successfully retaining the North East Better Health at Work Award Maintaining Excellence and Ambassador status and engaging employees through surveys and focus groups. There is a strategic structure in place, and the Council approved the revised Employee Wellbeing Strategy to 2026. There are health and wellbeing and EDI campaign calendars in place to engage the workforce.

4.17 A workforce planning framework is in place to ensure we have the right people, with the right skills, in the right place, at the right time. This is a longer-term project to complete and a policy framework to ensure the work is continually updated will be agreed later in 2026. This is essential considering the demographic cliff-edge of older workers, the recruitment and retention difficulties in key services and the need to ensure we have effective talent pipelines for the future.

4.18 The Council has invested to improve its current Council wide and Manager Induction experiences. The Council continues to provide a comprehensive learning and development offer, and full utilisation of its Apprentice Levy in the recent years. A Council e-induction for all employees to undertake prior to starting their employment and a manager e-induction programme is in place. This has been strengthened with an investment for all new managers to go through a Managing People bespoke training that will help them to shape positive work environments and teams. Work Experience and Apprenticeship Policies both prioritise the Council's commitment to support care leavers into work. There is an ongoing commitment to develop a leadership and management development framework across the Council. This will further embed our values and behaviours and support our Equality, Diversity and Inclusion commitments.

4.19 The ResourceLink HR and Payroll Information System continues to be developed. Establishment control mechanisms are in place within the departments through the restructure process to enable staffing budgets to be closely monitored. This ensures that vacancies and employment changes are scrutinised with HR and Finance input before recruitment or contractual changes can be undertaken. The HR Dashboard provides managers with direct access to a comprehensive suite of staffing data reports when fully implemented. Data driven decisions are essential and the opportunity for a new reporting tool will enable the Council to review workforce monitoring data and information for operational and strategic decision making and improved performance.

4.20 The Council has an ongoing programme of monitoring and reviewing arrangements in place in respect of the operation of its key partnerships. A framework of reporting by exception to Executive Leadership Team operates and Internal Audit provides audit coverage of partnership arrangements.

4.21 A new Council Plan 2030 was agreed by Finance and Policy Committee on 7th April 2025 setting out a clear vision for Hartlepool and the Council's priorities for the next 5 years.

4.22 The Council's Performance Assurance Framework brings together all the strategies and plans that the Council has in place across the whole organisation. The Council Plan sits at the top of the Framework because it sets out the top strategic priorities for the Council. This is underpinned by the Strategic Framework. These are the other corporate-level strategies that provide greater detail for key themes such as transformation, economic growth, community safety, health and wellbeing or finance. It includes strategies that are shared with strategic partners and those that are only relevant to the Council. The Council's aim is to ensure that we have a streamlined process where performance information is shared in the right place, with the most appropriate audience. Progress reports on the Council Plan go to Finance and Corporate Affairs Committee but other performance information may be more appropriate to go to a different Policy Committee, a Partnership Board such as the Safer Hartlepool Partnership or the Health and Wellbeing Board, Audit and Governance Committee, or an officer group such as Departmental Management Teams. The Council ensures that the information presented to the identified audience is relevant and sufficient to enable oversight of our work whilst upholding the principle of openness and transparency. As a Council we monitor our performance through our Performance Assurance Framework using performance indicators (PIs), actions and risks.

4.23 Key policies such as the Corporate Complaints, Comments and Compliments Procedure, Proceeds of Crime (Money Laundering), Whistle Blowing Policy and Counter Fraud and Corruption Policy have been developed and approved for use across the whole Authority. The policies are available to employees via the intranet. The Council is a member of the National Anti-Fraud Network and takes part in regular National Fraud Initiative reviews and the North East

Corporate Fraud Forum. The Council has updated its Fraud and Corruption Strategy in line with CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

4.24 The Council agreed an updated Risk Management Framework in November 2024 following a Limited Assurance finding by Internal Audit. There were no fundamental changes to the Framework however improvements were made to ensure that it was more robust including:

- An explanation of the Council's risk appetite.
- Updates to the section on roles and responsibilities to provide greater clarity.
- Reference to Departmental Management Teams considering departmental and operational risk registers at least annually.
- Changes to the Risk Capture Form so that officers are required to identify the risk category (type of risk), how they intend to deal with the identified risk (Transfer, Tolerate, Terminate or Treat) and the addition of a risk review section with a checklist and space to record the evidence from the review.

4.25 The updated Risk Management Framework and an updated Officer Toolkit are available to all staff via the intranet. As part of the roll out of the updated Framework all managers within the Council have completed mandatory risk management training. Going forward all new managers will be required to complete the training within their first three months in post and mandatory refresher training will be completed by all managers every two years.

4.26 The Finance and Corporate Affairs Committee is responsible for ensuring the consideration of risk across the Council and for reviewing the progress made in the management of strategic risks. The Audit and Governance Committee is responsible for reviewing the effectiveness of risk management arrangements and providing comment and challenge on risk management activity and progress. Risks and control measures relating to the Council Plan are analysed within performance reports to help ensure that risk and performance reporting are linked. The Council Plan and performance assurance framework are considered as part of the preparation of the AGS.

4.27 The Council's Corporate Strategy and Performance Team hold information on the Council's Strategic Risks. Risk registers are also maintained for significant projects. Officers that manage risks are notified that risks need to be reviewed, and progress is monitored on a regular basis through the service planning process. Work is underway to develop a new central repository for the storing of risks. This will ensure that risks across the Council can be easily accessed, updated, compared and escalated for consideration by Departmental Management Teams and the Executive Leadership Team as appropriate. This will include review schedules and where possible automated prompts for updates.

4.28 Data protection laws regulate the collection and use of personal data – information about identified or identifiable individuals. To ensure compliance the Council has completed information audits identifying all personal data held, including a lawful basis for processing the data. Privacy notices have been developed and are available on the Council's website. All policies and procedures have been updated to ensure GDPR compliance and staff have received specific GDPR training. The Information Governance Group meets regularly to discuss GDPR compliance.

4.29 The Council has long-standing, nationally and regionally recognised emergency planning arrangements through the Cleveland Emergency Planning Unit (CEPU). The Council's Emergency Management Response Team (EMRT) meets bi-monthly and contributes to the makeup of the Council's Major Incident Plan which is tested annually.

4.30 Responsibility for updating and implementing Corporate Business Continuity rests with the Assistant Director (Regulatory Services). Revised arrangements have been rolled out across each Council department to ensure that accurate up to date information is held to assist in the recovery of services, should it be necessary. Tests are undertaken to ensure that these plans are fit for purpose and any lessons learnt from these exercises will be incorporated into future plans.

4.31 The Equality Act 2010 came into force on 1st October 2010 and brought together over 116 separate pieces of legislation into one single Act. The Act provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The Act covers the 9 protected characteristics – age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion/belief, gender and sexual orientation.

4.32 The Public Sector Equality Duty (PSED) is supported by "specific duties" to assist public bodies to achieve the aims of the general duty. Under the specific duties, the Council must:

- Publish equalities information to demonstrate its compliance with the Equality Duty by the 31st January each year; and
- Develop and publish equality objectives every four years.

4.33 In order to demonstrate our compliance with the above requirements, we have produced a 2024-2025 Equality Report to demonstrate the progress that the Council has made to date. We are aware that there are gaps in our data and are working to provide more information in an accessible format. On that basis the report is regularly updated. The EDI Policy was agreed by Finance and Policy Committee on 13th March 2023 to set out the Council's commitment to EDI. In a change to our previous approach the Council has developed more specific Equality Objectives. The Council's Equality, Diversity and Inclusion Officer Group used the findings from the Big Conversation and the scrutiny investigations into accessibility and poverty to develop interim equality objectives which were agreed by the Finance and Policy Committee on 7th April 2025.

4.34 Equality issues must influence the decisions reached by public bodies - in how they act as employers; how they develop, evaluate and review policy; how they design, deliver and evaluate services, and how they commission and procure from others. We do this by considering impacts on equality as an integral part of our decision-making process. In 2025 the Council rolled out a new approach through the introduction of Single Impact Assessments (SIAs) which brought together the Equality Impact Assessment and Child and Family Poverty Impact Assessment. To support officers and Members in understanding the SIA process an officer toolkit is available on the Council's intranet, a briefing was given to all managers through the HBC Managers Forum, mandatory training for all managers was delivered via the Council's digital training platform and a members briefing was held. All reports to Committee and Full Council now include a Single Impact Assessment section and completed SIAs are attached as appendices where required. Work is now underway to create a central repository for all SIAs which will enable the cumulative impact of the Council's decisions to be more fully understood and to ensure that regular reviews are conducted to assess the actual impact of decisions once they are implemented so that any unforeseen impacts can be considered and responded to.

4.35 Internal Audit reports on a regular basis to the Audit and Governance Committee on the effectiveness of the organisation's system of internal control. Recommendations for improvement are also made and reported on. Internal Audits performance is measured against standards agreed by management and Members. Internal Audit reporting arrangements have been formalised and strengthened as part of the review of financial procedure rules. Internal Audit were externally assessed in line with Public Sector Internal Audit Standards in December 2024 and given the highest level of conformance that can be achieved and is a positive outcome, reflecting the high standards that Internal Audit adhere to when carrying out their duties.

4.36 Ofsted has rated the overall effectiveness of the Council's Children's Services as 'Outstanding' in its most recent ILACS inspection which took place in March 2024. The Local Area Inspection of Services for Children with Special Educational Needs and Disabilities (SEND) took place in March 2023. The inspection judged that the local area partnerships arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The Council runs five children's homes all of which are judged as good, with elements of outstanding, by Ofsted.

4.37 There is a strong focus on continuous improvement and assurance within Adult Social Care with a well-established Continuous Improvement Group, budget clinics, performance challenge meetings and an Annual Quality Assurance Report covering the safeguarding quality assurance framework, performance benchmarking, compliments and complaints, audit activity and continuous professional development.

4.38 As part of the national Adult Social Care Outcomes Framework there is an annual survey of people who use adult social care services and a survey every two years of people who are carers. Feedback from both continues to be positive and the satisfaction rates of people in Hartlepool compare very favourably regionally and nationally.

4.39 Over 95% of services commissioned by the Council for adults with care and support needs are rated good by the Care Quality Commission (CQC) with no services rated inadequate. The Council is actively engaged with Sector Led Improvement via the Association of Directors of Adult Social Services at a regional and national level.

4.40 Adult Social Care services delivered by the Council were rated 'Good' by the Care Quality Commission (CQC) following an inspection in November 2024. The CQC described 'an organisation which had strong leaders, who were committed to making improvements' and found that there were governance, management and accountability arrangements at all levels in the local authority which provided visibility and assurance on quality, sustainability and risks.

5 Review of Effectiveness

5.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit and Governance's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

5.2 The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

- Executive Leadership Team agreed process for the review of the internal control environment. The risk inherent in meeting departmental objectives and the controls to mitigate those risks are recorded as part of the corporate service planning process at a departmental level. This has brought together risk management, control identification and the process for compiling the evidence needed to produce the AGS. This enables managers to provide documented evidence regarding the controls within their service units as part of the service planning process. The controls in place are designed to negate the identified and recorded risks of not achieving service, departmental or corporate objectives. In order to ensure adequate controls are in place the procedures, processes and management arrangements in place to mitigate identified risks and the officers responsible for them are also documented. Gaps in controls can be addressed as part of the regular reviews of departmental risks and control measures.

- Internal Audit – the Council has the responsibility for maintaining and reviewing the system of internal control and reviewing annually Internal Audit. In practice, the Council, and its External Auditors, takes assurance from the work of Internal Audit. In fulfilling this responsibility:
  - Internal Audit were externally assessed in line with Public Sector Internal Audit Standards in December 2024 and received the highest level of conformance that can be achieved.
  - Internal Audit reports to the Section 151 Officer and Audit and Governance Committee.
  - The Head of Audit and Governance reports to the Audit and Governance Committee how the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).
  - The Head of Audit and Governance provides an independent opinion on the adequacy and effectiveness of the system of internal control, quarterly update reports and an annual internal audit performance report to the Audit and Governance Committee.
  - Internal audit plans are formulated from an approved risk assessment package, and Internal Audit continues to provide assurance across a broad range of Council activities and functions through the audits it completes.
  - External Audit – in their auditors' annual report, comment on their overall assessment of the Council. It draws on the findings and conclusions from the audit of the Council.
  - Other review and assurance mechanisms: for example, Department of Education, Care Quality Commission, Ofsted, HMI Probation and Service Excellence.

6 Significant Governance Issues

6.1 The following significant governance issues have been identified:

No	Issue	Action	Timescale	Responsible Officer
1	Delivery of Council Plan, revised Performance Assurance Framework and Medium Term Financial Plan (MTFP). The sustainability of services, level of performance and the continuing need to achieve housing and business growth.	Whilst a transformation plan has previously been agreed and successfully delivered savings for the 2026/27 budget, a refresh will be required, together with a whole authority focus on balancing the budget position. On-going monitoring of the programme will be reported, together with any other budget changes, to Finance and Corporate Affairs Committee as part of the MTFP updates during 2026/27.	2026/27	ELT
2	Delivery of Regeneration/ Capital Programme on time and budget in line with key Council objectives.	Arrangements previously adopted will continue to be followed as projects move from design to construction phase.	2026/27 onwards	Capital Programme Board

No	Issue	Action	Timescale	Responsible Officer
3	Potential for Cyber Security attack/breach of IT defences leading to service disruption and potentially serious financial implications.	Cyberattacks against local government are a real and persistent threat, with increased sophistication of attacks and the greater reliance on technology making the threat more severe and impactful. In addition to existing measures, increased campaigns will be rolled out within the council and work to migrate from local servers to the cloud will continue. Additional measures are also being considered such as 24/7 monitoring of the council's network.	2026 Onwards	ELT
4	Changes to Senior leadership team and restructures.	The council has welcomed a new Chief Executive in post from April 2026. The Director of Housing, Growth and Communities will depart the council in July 2026, taking up a job opportunity elsewhere. Changes to the senior leadership team increases risks but also provides opportunities and the officer leadership team will work with elected Members to meet the on-going challenges facing local government and drive forward the councils' priorities.	2026/27	ELT

No	Issue	Action	Timescale	Responsible Officer
5	Political uncertainty / change in political environment.	Following the May 2026 local elections, the council is now under 'No Overall Control,' with no single political group holding a majority. It is anticipated that a minority administration will lead the council, reliant on independent councillors for support. 10 of the 36 councillors, have not previously held a councillor position, thereby requiring additional support and training, whilst they familiarise themselves with local government governance.	2026/27	ELT

No	Issue	Action	Timescale	Responsible Officer
6	Preparing to change the Council's governance model from Committee based to Leader and Cabinet.	Section 61 and Schedule 29 of the English Devolution and Community Empowerment Act 2026 are due to come into force on 29 June 2026. From that date, the Council will have a period of 12 months to implement the required change in governance arrangements. Officers working with the Constitution Committee will work to prepare a new Constitution to reflect the Leader and Cabinet model. During this time the Council will continue to operate existing governance arrangements in accordance with current legal requirements until the transition is complete.	2026/27	ELT

6.2 No other significant governance issues have been identified, however, in the interests of improving and developing governance arrangements we propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

6.3 The Head of Audit and Governance reported in their Annual Opinion Report that “based on the work undertaken during the year 2025/26, my opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control is that reliance can be placed on the adequacy and effectiveness of internal controls operating across the Council in 2025/26.”

6.4 It is our opinion that governance arrangements at the Council were fit for purpose in 2025/26. This includes core areas identified in the Councils Code

of Corporate Governance and supports the achievement of the Council outcomes.

Signed on behalf of Hartlepool Borough Council:

……
Chief Executive

……
Chair of Audit and Governance Committee

PICK Priority Setting

P for Public Interest

Members' representative roles are an essential feature of Scrutiny. They are the eyes and ears of the public, ensuring that the policies, practice and services delivered to the people of the District, by both the Council and external organisations, are meeting local needs and to an acceptable standard. The concerns of local people should therefore influence the issues chosen for scrutiny. This could include current issues. For example, dignity is consistently cited as a high priority for service users (e.g. Mid Staffordshire Enquiry, care in Winterbourne hospital) and scrutiny committees are well placed to influence the agenda locally and drive forward better quality services). Members themselves will have a good knowledge of local issues and concerns. Surgeries, Parish Councils, Residents Associations and Community Groups are all sources of resident's views. Consultation and Surveys undertaken by the Council and others can also provide a wealth of information.

I for Impact

Scrutiny is about making a difference to the social, economic and environmental well-being of the area. Not all issues of concern will have equal impact on the well-being of the community. This should be considered when deciding the programme of work, giving priority to the big issues that have most impact. To maximise impact, particularly when scrutinising external activity, attention should also be given to how the committee could influence policy and practice. Sharing the proposed programme of reviews with Members, officer and key partners will assist this process.

C for Council Performance

Scrutiny is about improving performance and ensuring the Council's customers are served well. With the abolition of external inspection regimes, scrutiny has an even more important role to play in self regulation. Members will need good quality information to identify areas where the Council, and other external organisations, are performing poorly. Areas where performance has dropped should be our priority. As well as driving up Council performance, scrutiny also has an important role in scrutinising the efficiency and value for money of Council services and organizational development.

K for Keep in Context

To avoid duplication or wasted effort priorities should take account of what else in happening in the areas being considered. Is there another review happening or planned? Is the service about to be inspected by an external body? Are there major legislative or policy initiatives already resulting in change? If these circumstances exist Members may decide to link up with other approaches or defer a decision until the outcomes are known or conclude that the other approaches will address the issues. Reference should also be made to proposed programmes of work in the Council's plans and strategies

PICK Scoring System

- **P**ublic Interest: the concerns of local people should influence the issues chosen

Score	Measure
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

- **I**mpact: priority should be given to the issues which make the biggest difference to the social, economic and environmental well-being of the area

Score	Measure
0	no impact
1	low impact
2	medium impact
3	high impact

- **C**ouncil Performance and efficiency: priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support the current Efficiency, Improvement and Transformation Programme.

Score	Measure
0	'Green' on or above target performance
1	'Amber',
2	low performance 'Red'

- **K**eep in Context: work programmes must take account of what else is happening in the areas being considered to avoid duplication or wasted effort.

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

Each topic will be scored under each category as indicated above. Where a category is not applicable, no score will be given.

Hartlepool Borough Council

AUDIT AND GOVERNANCE COMMITTEE

14th JULY 2026

Report of: Democratic Services and Statutory Scrutiny Manager

Subject: SCRUTINY WORK PROGRAMME 2026-27

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1. Council Plan Priority

Hartlepool will be a place:
- with a Council that is ambitious, fit for purpose and reflects its community. (Organisation)

2. Purpose of Report

3.1 To progress the setting of the Overview and Scrutiny Work Programme for 2026-27.

3. Background

3.1 Further to discussions at the Audit and Governance Committee on the 23rd June 2026, a further report was requested to provide additional information in relation to each of the topics identified be Members as potential work programme items.

3.2 Due to the short period between the Audit and Governance Committee meetings on the 23rd June and the 14th July, it was not possible to have all the required information compiled in time for the deadline for publication of the agenda for the meeting on the 14th July. A supplementary report containing the requested additional information will be circulated to the committee ahead of the meeting to support the finalisation of the 2026/27 overview and scrutiny work programme.

4. Other Considerations/Implications

Risk Implications	None
Financial Considerations	None
Subsidy Control	None
Legal Considerations	None
Single Impact Assessment	None (to be done for each investigation if applicable)
Staff Considerations	None
Asset Management Considerations	None
Environment, Sustainability and Climate Change Considerations	None
Consultation	None

5. Recommendations

6.1 To set the 2026/27 Statutory Scrutiny Work Programme

6. Reasons for Recommendations

6.1 To facilitate the agreement of the Audit and Governance Committee's work programme.

7. Background Papers

7.1 None.

8. Contact Officers

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Hartlepool Borough Council

Audit and Governance Committee

14 JuLY 2026

Report of: Democratic Services and Statutory Scrutiny Manager

Subject: SCRUTINY WORK PROGRAMME 2026-27 – SUPPLEMENTARY REPORT

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1. Council Plan Priority

Hartlepool will be a place:
where people live healthier, safe and independent lives. (People)

2. Purpose of Report

2.1. To progress the setting of the Overview and Scrutiny Work Programme for 2026-27.

3. Background

3.1 The Audit and Governance Committee on the 23rd June 2026 considered potential topics, from within its statutory scrutiny responsibilities (health and crime and disorder), for proactive investigation during 2026/27. A number of potential topics were identified, as outlined in Table 1.

Table 1 – Potential Work Programme Topics

Topic	**PICK Score**
Maternity Services in Hartlepool	Appendix A
Community Cohesion (focusing in part, but not solely on hate crime)	Appendix B
Serious violence / knife crime	Appendix C

Crime and Anti-social Behaviour (young men and boys)	Appendix D
Reoffending in Hartlepool	Appendix E

3.2 To assist the Committee in making an informed decision, further information against each suggestion is attached in Appendices B to E. Suggestions are also provided of a potential PICK score for each topic suggestion.

3.3 The Committee is reminded of the need to:

i) Focus its resources on issues of interest to the residents of Hartlepool, where it can have influence and add value.

ii) Give due regard to the need to retain capacity to respond to reactive issues, such as service change, as and when they may arise during the course of the year. Also, to consider the resources (Member and Committee time) available after consideration of the items already scheduled for consideration. **Appendix F** provides a schedule of these items, as at the time of production of this report.

iii) Take into consideration that the following topics have already been investigated by the Committee:

- Armed Forces Veterans: GP Support and Signposting
- Retail Crime
- Derelict Land and Buildings
- Child and Family Poverty
- Accessibility of Council Services
- Anti-Social Behaviour in Hartlepool
- High Quality Maternity Services and Elective Surgery at the University Hospital of Hartlepool Site
- Access To Transport for People with a Disability
- Hate Crime in Hartlepool
- Dementia: Early Diagnosis
- Cardiovascular Disease (CVD)

iv) Consider the potential value of establishing working/ task and finish groups to carry out work relating to topics. Evidence gathered by such groups reported back to the full Committee, maximising the use of resources and time, assisting in the collection of evidence to inform investigations and helping manage the duration of formal meetings.

4. Other Considerations/Implications

Risk Implications	None
Financial Considerations	None
Subsidy Control	None
Legal Considerations	None
Single Impact Assessment	None (to be done for each investigation if applicable)
Staff Considerations	None
Asset Management Considerations	None
Environment, Sustainability and Climate Change Considerations	None
Consultation	Councillors and partner organisations were asked for topic suggestions. Also, to be done for each investigation as applicable.

5. Recommendations

6.1 To set the 2026/27 Statutory Scrutiny Work Programme

6. Reasons for Recommendations

6.1. To facilitate the agreement of the Audit and Governance Committee's work programme.

7. Background Papers

7.1. Audit and Governance Committee report (23 June 2026)

8. Contact Officers

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Appendix A

Topic:

Maternity Services in Hartlepool

Background Information

The provision of maternity services for Hartlepool residents from the University Hospital Hartlepool (UHH) has been a long-standing issue, considered by the Audit and Governance Committee (as part of this Health overview and scrutiny responsibilities) and Health and Wellbeing Board. The most recent discussions relating to the temporary cessation of deliveries at the Rowan Unit.

Provisional scope:
- Update on maternity services from the UHH
- Update on the cessation of services from the Rowen Unit (timescale for reopening)
- Where are Hartlepool mothers being referred to for the delivery of babies
- Future plans for the delivery of maternity services across the Tees Valley and UHH

Previous consideration:
- Scrutiny investigation (2019) followed by updates
- Health and Wellbeing Board updated on the cessation of services (2025)

Options for consideration:
- Single meeting / focused session

AREAS FOR CONSIDERATION | **PICK Scoring System**

Public Interest – the concerns of local people should influence the issues chosen

Score	Measure
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

Impact – priority should be given to the issues which make the biggest difference to the social, economic and environmental, and health and well-being of the area

Score	Measure
0	no impact
1	low impact
2	medium impact
3	high impact

Council Performance and Efficiency – priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support budget proposals

Score	Measure
0	‘Green’ on or above target performance
1	’Amber’,
2	low performance ‘Red’

Appendix A

Keep in Context – work programmes must take into account of what else is happening in the areas being considered to avoid duplication or wasted effort

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

TOTAL SCORE: ?

Appendix B

Topic:

Community Cohesion (focusing in part, but not solely on hate crime)

Background Information

A scrutiny investigation to provide an overview / progress update on community cohesion activity in Hartlepool, examining how public services, community organisations and residents work together to build understanding, inclusion and resilience across diverse communities.

Provisional scope:
- Consider the local response to hate crime and the support available to victims, with a wider focus on exploring the factors that contribute to community cohesion, including community engagement, integration, tackling prejudice and discrimination, reducing inequalities, and strengthening relationships between different groups.
- Identify current strengths, challenges and opportunities for improvement, helping to ensure Hartlepool remains a safe, welcoming and inclusive place for all residents.

Previous consideration:
- Significant community cohesion work already undertaken.
- Scrutiny investigation (hate crime - 2015)

Options for consideration:
- Selected at single piece of proactive scrutiny for 2026/7, or
- One meeting briefing session.

AREAS FOR CONSIDERATION	**PICK Scoring System**
Public Interest – the concerns of local people should influence the issues chosen	
Impact – priority should be given to the issues which make the biggest difference to the social, economic and environmental, and health and well-being of the area	

Score	**Measure**
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

Score	**Measure**
0	no impact
1	low impact
2	medium impact
3	high impact

Appendix B

Council Performance and Efficiency – priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support budget proposals

Score	Measure
0	'Green' on or above target performance
1	'Amber',
2	low performance 'Red'

Keep in Context – work programmes must take into account of what else is happening in the areas being considered to avoid duplication or wasted effort

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

TOTAL SCORE: ?

Appendix C

Topic:

Serious violence / knife crime in Hartlepool

Background Information

Hartlepool, like many communities across the country, continues to face challenges associated with serious crime and knife crime and the significant impact these offences can have on individuals, families and neighbourhoods.

Key stakeholders to include Cleveland Police, Hartlepool Borough Council, the Cleveland Unit for the Reduction of Violence (CURV), education providers, health services, youth justice and youth support organisations, community and voluntary sector representatives, and other relevant partners involved in tackling serious violence and supporting those at risk of offending or becoming victims of crime.

Latest available local intelligence shows that serious crime remains a significant challenge in Hartlepool. The Hartlepool Crime Joint Strategic Needs Assessment reports that violence against the person continues to be the most common crime type in the borough and that overall crime rates remain substantially higher than regional and national averages. While recent data indicates a reduction in weapons possession offences, other serious crime categories, including robbery and drug-related offending, have shown an increasing trend. The JSNA also highlights that serious and weapon-related crime is disproportionately concentrated within the borough's most deprived communities, contributing to fear of crime, community harm and adverse outcomes for young people and vulnerable residents. These trends reinforce the importance of continued partnership activity to prevent serious violence, reduce knife crime, support victims and address the underlying causes of offending. [hartlepool.gov.uk], [hartlepool.gov.uk]

Provisional scope:
- Local concerns and emerging trends
- Prevalence causes and consequences of serious violence and knife-related offending within the borough
- Effectiveness of current prevention, intervention and enforcement activity and identify opportunities to strengthen partnership working and enhance community safety

Previous consideration:
- Significant community cohesion work already undertaken

Options for consideration:
- Selected at single piece of proactive scrutiny for 2026/7, or
- One meeting briefing session.
- Combine with reoffending topic

AREAS FOR CONSIDERATION	**PICK Scoring System**

Appendix C

Public Interest – the concerns of local people should influence the issues chosen

Score	Measure
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

Impact – priority should be given to the issues which make the biggest difference to the social, economic and environmental, and health and well-being of the area

Score	Measure
0	no impact
1	low impact
2	medium impact
3	high impact

Council Performance and Efficiency – priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support budget proposals

Score	Measure
0	'Green' on or above target performance
1	'Amber',
2	low performance 'Red'

Keep in Context – work programmes must take into account of what else is happening in the areas being considered to avoid duplication or wasted effort

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

TOTAL SCORE: ?

Appendix D

Topic:

Crime and Anti-social Behaviour (young men and boys)

Background Information

Young men and boys in Hartlepool can face a range of challenges that increase their vulnerability to crime and anti-social behaviour, including poverty, poor mental health, educational disengagement, family instability, adverse childhood experiences, and a lack of positive opportunities or role models. These factors can be compounded by peer pressure, exploitation by criminal groups, substance misuse, and social isolation.

While these challenges remain significant, Hartlepool has seen encouraging reductions in youth offending in recent years. Data from Hartlepool Youth Justice Service shows that referrals to the service fell from 320 in 2015/16 to 111 in 2018/19, reflecting a substantial reduction in youth offending and first-time entrants to the youth justice system. The Hartlepool Youth Justice Service Strategic Plan 2024/25 also highlights that the town has experienced a significant reduction in youth crime, although reducing reoffending remains a key priority. Addressing the underlying causes of offending through early intervention, education, family support, and positive community engagement continues to be essential to improving outcomes for young.

Crime Trends in Hartlepool (Hartlepool JSNA) - The number of Recorded Offences in Hartlepool (Excluding Fraud) was 130.1 per 1,000 population for the year ending December 2025. This is higher than the North East Rate of 96.44 per 1,000 which itself is higher than the national rate of 84.09 per 1,000. Hartlepool's rate is 7th Highest of 292 local authorities. The rate has decreased from a peak of 151 per 1,000 in the year ending June 2023.

Violence against the person, Theft and Shoplifting are the most common types of crime with 46.35, 42.48 and 24 offences per 1,000 population in the year ending December 2025 respectively. The crime types where Hartlepool ranked highest nationally were Criminal Damage and Arson (2nd highest Local Authority in England), Shoplifting (2nd highest) and Miscellaneous Crime (4th Highest). Theft from the person was the only crime type where Hartlepool's rate was in the lowest half of local authorities.

Bicycle Theft has increased since December 2024 which is against regional and national trends whilst Stalking and Harassment offences in Hartlepool have reduced over the last 2 years. Possession of weapons has decreased since December 2024. Drug Offences, Robbery, Sexual Offences and Theft offences have seen an increasing trend in Hartlepool over the last few years.

At the local level, Burn Valley and Headland & Harbour wards consistently report the highest crime rates, though trends are volatile, likely due to smaller populations. Finally, street-level data confirms that crime is concentrated in Hartlepool's most deprived areas (IMD 1–4), highlighting the strong link between deprivation and crime prevalence.

Figures for anti-social behaviour reported to the council show an increasing trend with fewer than 400 incidents reported in 2020,2021 and 2022 but over 600 reported in 2023 and 2024. April 2025 was the month with the most incidents (85) followed by June 2023 (84) and July 2024 (77). Around 1 in 5 incidents reported to the council is related to Drugs / Substance misuse and dealing which was the most common category of incident. Victoria is the ward with the most incidents of ASB followed by Burn Valley and Foggy Furze. Victoria in particular saw a significant increase in incidents with the number in 2023 (102) more than

double the previous year (48) and increasing further in 2024 to 141.

Provisional scope:
- Does data support the identification of this as an issue
- Levels of youth crime in Hartlepool (breakdown across age and gender)
- Issue from a young man / boy's perspective:
- Challenges
- Support services / interventions (effectiveness / impact)

Previous consideration:
- Scrutiny investigation (2020)

Options for consideration:
- Tie in with consideration of the Youth Justice Strategic Plan

AREAS FOR CONSIDERATION	**PICK Scoring System**
Public Interest – the concerns of local people should influence the issues chosen	
Impact – priority should be given to the issues which make the biggest difference to the social, economic and environmental, and health and well-being of the area	
Council Performance and Efficiency – priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support budget proposals	

Score	**Measure**
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

Score	**Measure**
0	no impact
1	low impact
2	medium impact
3	high impact

Score	**Measure**
0	'Green' on or above target performance
1	'Amber',
2	low performance 'Red'

Appendix D

Keep in Context – work programmes must take into account of what else is happening in the areas being considered to avoid duplication or wasted effort

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

TOTAL SCORE: ?

Appendix E

Topic:

Reoffending in Hartlepool

Background Information

Reoffending rates in Hartlepool have shown a concerning upward trend across both male and female populations over the past three years. Although juvenile reoffending saw a sharp decline in 2021, this was short-lived, with rates rising again the following year—possibly due to the small population size affecting statistical stability. Hartlepool consistently reports higher reoffending rates across nearly all age groups compared to both the national and regional averages, with the exceptions being the 10–14 age bracket. (Hartlepool JSNA)

Provisional scope:
- Does data support the identification of this as an issue
- Levels of reoffending in Hartlepool (breakdown across age and gender of offender and victim)
- Challenges
- Support services / interventions (effectiveness / impact)

Previous consideration:
- Scrutiny investigation (2014)

Options for consideration:
- Selected at single piece of proactive scrutiny for 2026/7, or
- One meeting briefing session.
- Combine with serious crime / knife crime topic

AREAS FOR CONSIDERATION	**PICK Scoring System**
Public Interest – the concerns of local people should influence the issues chosen	
Impact – priority should be given to the issues which make the biggest difference to the social, economic and environmental, and health and well-being of the area	

Score	**Measure**
0	no public interest
1	low public interest
2	medium public interest
3	high public interest

Score	**Measure**
0	no impact
1	low impact
2	medium impact
3	high impact

Appendix E

Council Performance and Efficiency – priority should be given to the areas in which the Council, and other agencies, are not performing well or proposals which will support budget proposals

Score	Measure
0	'Green' on or above target performance
1	'Amber',
2	low performance 'Red'

Keep in Context – work programmes must take into account of what else is happening in the areas being considered to avoid duplication or wasted effort

Score	Measure
0	Already dealt with/ no priority
1	Longer term aspiration or plan
2	Need for review acknowledged and worked planned elsewhere
3	Need for review acknowledged

TOTAL SCORE: ?