

Borough Council of  
**King's Lynn &  
West Norfolk**



# **Audit Committee**

## **Agenda**

**Wednesday, 16th June, 2021**  
at 4.30 pm

in the

**Assembly Room  
Town Hall  
Saturday Market Place  
King's Lynn**

**Also available to view on WestNorfolkBC on You Tube**

Borough Council of  
**King's Lynn &  
West Norfolk**



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX  
Telephone: 01553 616200  
Fax: 01553 691663

8<sup>th</sup> June 2021

Dear Member

**Audit Committee**

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Wednesday, 16th June, 2021 at 4.30 pm** in the **Assembly Room, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ** to discuss the business shown below.

Yours sincerely

Chief Executive

**AGENDA**

1. **Appointment of Vice Chair for the forthcoming year**

2. **Apologies**

3. **Minutes** (Pages 5 - 11)

To approve the minutes from the previous meeting.

4. **Declarations of Interest**

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on any item or simply observing the meeting from the public seating area.

**5. Urgent Business Under Standing Order 7**

To consider any business which, by reason of special circumstances, the Chairman proposed to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

**6. Members Present Pursuant to Standing Order 34**

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman

**7. Chair's Correspondence (if any)**

**8. Corporate Risk Register - Half Yearly Update (Pages 12 - 26)**

**9. Internal Audit Full Year Progress Report covering the previous financial year (Pages 27 - 38)**

**10. Internal Audit Annual Report and Opinion covering the previous financial year (Pages 39 - 47)**

**11. Update on Audit Progress and Timetable (Pages 48 - 57)**

**12. Committee Work Programme and Forward Decision List (Pages 58 - 67)**

**13. Date of Next Meeting**

To note that the date of the next meeting of the Audit Committee will take place on 26<sup>th</sup> July 2021 at 4.30pm in the Assembly Room at the Town Hall.

**14. Exclusion of Press and Public**

To consider passing the following resolution:

“That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act”.

**15. EXEMPT REPORT: Housing Benefit Subsidy Claim - Annual Certification Report for 2019/2020 (Pages 68 - 96)**

To:

**Audit Committee:** Mrs J Collingham, J Collop, P Gidney, J Lowe (Chair),  
C Manning, C Morley, J Rust, A Ryves and M Storey

**Relevant Portfolio Holders:**

Councillor S Sandell – Item 8

Councillor Mrs A Dickinson – Items 9, 10 and 11

**Appropriate Officers:**

Michelle Drewery – Assistant Director/Management Team Representative

Ged Greaves – Senior Policy and Performance Officer

Kathy Woodward – Audit Manager

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK****AUDIT COMMITTEE**

**Minutes from the Meeting of the Audit Committee held on Monday, 15th March, 2021 at 4.30 pm in the Remote Meeting on Zoom and available for the public to view on WestNorfolkBC on You Tube - Zoom and You Tube**

**PRESENT:** A Dickinson (Chair)  
Councillors Miss L Bambridge, Mrs J Collingham, J Collop, C Manning, C Morley, J Rust, A Ryves and Mrs V Spikings

A113 **APOLOGIES**

An apology for absence was received from Councillor A Kemp.

A114 **MINUTES**

The minutes from the meeting held on 25 January 2021 were agreed as a correct record.

A115 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A116 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A117 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

A118 **CHAIR'S CORRESPONDENCE**

There was no Chair's correspondence.

A119 **ANNUAL AUDIT LETTER 2018/2019**

[Click here to view a recording of this item on You Tube](#)

M Hodgson, Ernst and Young presented the Annual Audit Letter for the year ended 31 March 2019 and explained that this was a concluding report providing a summary of the external auditor's work undertaken

during the 2018/2019 audit to be published on the Borough Council's website.

The Committee was advised that there were no changes since the Audit Committee held on 25 January 2021. It was noted that Ernst and Young had issued a certification for completion of the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice on 29 January 2021.

M Hodgson responded to questions in relation to the risk to the Council in relation to the consolidation of Alive Management Ltd within the Council's group accounts.

The Leader, Councillor Long informed the Committee that he had received a letter from Companies House advising that Alive Management had submitted their accounts. The Assistant Director, Resources explained that Alive Management was a separate company, which was subject to scrutiny in the normal process with other Panels of the Council. Alive Management had its own independent auditor and reports were presented to the Board.

The Chair thanked Ernst and Young for attending and presenting the Annual Audit Letter 2018/2019.

**RESOLVED:** The Committee noted the Annual Audit Letter for the year ended 31 March 2019.

A120

**EXTERNAL AUDIT WORK PLAN FOR 2019/2020**

[Click here to view a recording of this item on You Tube.](#)

A Valdez Herrera, Ernst and Young presented the Audit Plan for the year ended 31 March 2020 and highlighted the following issues relating to audit risks and areas of focus set out below:

- Validation of Land and Buildings and Investment Properties – increase in risk of focus to significant risk.
- Group Consolidation - Inherent risk no change in risk or focus
- Calculation of expected credit losses (NWES Loan) – inherent risk, new area of focus.
- Classification of Grant Income – inherent risk, new area of focus.
- Impact of Covid-19 – inherent risk, new area of focus.
- Materiality – planning materiality, performance materiality, audit differences. All uncorrected misstatements relating to the primary statements and other identified misstatements will be communicated to the extent that they merit the attention of the Audit Committee.
- Value for Money.

- Scoping the group audit.
- Audit timeline.

A Valdez Herrera and M Hodgson responded to questions and comments in relation to:

- The new areas of focus.
- Potential impact on 3 week delay of the 2019/2020 audit work plan.
- Scoping the group audit.
- West Norfolk Housing Company.
- West Norfolk Property Company.
- Value for money risks.
- Going concern and impact of Covid-19.

In response to questions relating to risk in relation to both West Norfolk Housing Company and West Norfolk Housing Company entries in the Borough Council's Risk Register, the Assistant Director Resources undertook to check the details and email a response to the Audit Committee.

The Chair asked if the 3 week delay would impact on the timetable for the Accounts to be presented to Audit Committee in accordance with its Work Programme. The Assistant Director, Resources assured Members that there should be no knock on effect.

The Chair thanked Ernst and Young for attending and presenting the External Audit Work Plan for 2019/2020.

**RESOLVED:** The Committee noted the External Audit Work Plan for 2019/2020.

A121

### **INTERNAL AUDIT PLAN FOR 2021/2022**

[Click here to view a recording of this item on You Tube](#)

The Audit Manager presented the report which provided the Committee Members with the opportunity to review the proposed Strategic Internal Audit Plan for 2021-2022 and drew the Committee's attention to the following sections of the report:

- Key issues.
- Appendix 1 - Strategic Audit Plan 2021-2022 and the impact of the Pandemic.
- Appendix 2 – Internal Audit Strategy 2021-2022.

In conclusion, the Audit Manager highlighted the importance of the 2021/2022 Internal Audit Plan being flexible to accommodate any changes/responses identified within the Borough Council.

The Audit Management responded to questions in relation to:

- Rescheduling of core audits.
- Covid related audits, for example, Covid-19 Business Grants.
- Allocation of 20 days to Alive West Norfolk – dual purpose audit.
- West Norfolk Housing Company.
- Number of Full Time Employees within the Internal Audit Team and resource available.
- How the manpower assessment was organised into the Internal Audit work Plan.
- The 5 year audit plan which took into account the external auditors results, legislative changes, etc.
- ICT wireless networks – a new audit to look at the cloud networks which had not previously been undertaken.
- Fraud investigations work undertaken by half a Full Time Employee. It was noted that the fraud work was not included in the Internal Audit Plan.

The Chair commented that the work of the Audit Team was exemplary and reminded Members that it was incumbent on them as members of the Audit Committee to look at individual audit reports throughout the year, and that all reports were available on the Council's Intranet.

The Chair thanked the Audit Manager for presenting and answering questions on the Internal Audit Plan for 2021/2022.

**RESOLVED:** The Committee acknowledged the Internal Audit resources and agreed the work planned for 2021-2022.

A122

### **UPDATE ON THE MAJOR PROJECTS BOARD**

[Click here to view a recording of this item on You Tube](#)

This item was considered prior to Item 9.

The Chair gave a verbal update, a summary of which is set out below:

- To remain as a standard agenda item on Audit Committee at least until such time as the Audit Cross party working Group had completed its review.
- Audit Committee Cross Party Working Group had currently been suspended as its work, whilst important, was not crucial during the current pandemic.
- The Chair explained that members of the Audit Committee Cross Party Working Group had access to the minutes of the Officer Board consisted of several relevant senior officers and is chaired by M Henry, Assistant Director.
- Member Major Projects Board has only had two meetings since its inception.

- Officer Major Projects Board comprising senior officers continue to meet on a monthly basis. Three consecutive meetings did not take place due to the pandemic.
- The Chair had perused recent minutes from the Officer Major Projects Board Minutes. As might be expected some schemes had not progressed, but the majority of major projects had progressed during the pandemic. There was nothing identified in the minutes which would cause concern.

In response to questions, the Chair explained that the Member Major Projects Board was conceived as the Council's management response to the Internal Audit Lessons Learned report.

A123 **CABINET FORWARD DECISIONS LIST**

[Click here to view a recording of this item on You Tube](#)

The Committee noted the Cabinet Forward Decisions List.

A124 **COMMITTEE WORK PROGRAMME**

[Click here to view a recording of this item on You Tube](#)

The Committee noted the Work Programme.

The Chair reminded Members to contact her if they wished to place an item on the work programme.

Councillor Ryves suggested that the Internal Audit Role on 100% Borough Council owned subsidiaries could prove beneficial. The Chair undertook to consider this item.

A125 **DATE OF NEXT MEETING**

[Click here to view a recording of this item on You Tube](#)

The next meeting of the Audit Committee will take place on 7 June 2021.

A126 **EXCLUSION OF PRESS AND PUBLIC**

[Click here to view a recording of this item on You Tube](#)

**RESOLVED:** That under Section 100(A) of the Local Government Act, 1972 the press and public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act.

A127 **EXEMPT REPORT - RISK BASED VERIFICATION POLICY FOR HOUSING BENEFIT AND COUNCIL TAX SUPPORT**

The Revenues and Benefits Manager presented the report and explained that there were no updates to the policy and responded to questions from the Committee.

The Chair informed the Committee she had received an email that afternoon prior to the meeting relating to this item and undertook to forward to the Revenues and Benefits Manager for consideration

**RESOLVED:** Members noted and agreed the Risk Based Verification policy and the Risk Based Verification procedure in the report subject to any necessary changes arising from the email being delegated to the Chair.

A128 **EXEMPT REPORT: INTERNAL AUDIT SERVICE DELIVERY**

The Assistant Director, Resources presented the report which outlined the options on the provision of the Internal Audit Service Manager and responded to questions and comments from the Committee.

The Assistant Director, Resources presented the report which outlined the options on the provision of the Internal Audit Service Manager.

The Assistant Director, Resources responded to questions and comments from the Committee.

Councillor Morley, seconded by Councillor Ryves proposed the following recommendation:

“That the Audit Committee recommends to Council, Option 6 with the provision that within a reasonable timescale – 3 months, the Council proceed to test the market to recruit a full time Audit Manager to strengthen the audit function.”

Upon being put to the vote the amended recommendation was lost on the Chair’s casting vote.

Councillor Ryves, seconded by Councillor Morley proposed the following recommendation:

“That as a priority the Council look at the provision of a full time Audit Manager.”

Upon being put to the vote the amended recommendation was lost on the Chair’s casting vote.

Councillor Dickinson, seconded by Councillor Manning proposed that the recommendation within the report with an amendment be recommended to Council:

That the Audit Committee recommends to Council that that the Borough Council of King's Lynn and West Norfolk enters into a Section 111 and 113 Agreement, to become part of Eastern Internal Audit Services (the Consortium) for the provision of Internal Audit Services from 1 June 2021, under the Local Government Act 1972 with the provision that the arrangement be reviewed within an appropriate timescale of 18 months to 2 years.

Upon being put to the vote the above recommendation was carried.

**RESOLVED:** The Committee support the recommendation to Cabinet as set out below:

That the Audit Committee recommends to Council that that the Borough Council of King's Lynn and West Norfolk enters into a Section 111 and 113 Agreement, to become part of Eastern Internal Audit Services (the Consortium) for the provision of Internal Audit Services from 1 June 2021, under the Local Government Act 1972 with the provision that the arrangement be reviewed within an appropriate timescale of 18 months to 2 years.

**The meeting closed at 7.14 pm**

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	16 June 2021		
TITLE:	Corporate Risk Monitoring Report – April 2021		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Ged Greaves, Senior Policy and Performance Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE**

<b>PURPOSE OF REPORT/SUMMARY:</b>
<p>This report presents the changes to the Corporate Risk Register since the last monitoring report to the 27 July 2020 committee meeting. It gives details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.</p>
<b>KEY ISSUES:</b>
<p>Following the review, the proposed risk scores remain unchanged since the previous review. It is also proposed that one risk is refocused. There are no proposals to add new risks to the register.</p> <p>Covid-19 has continued to have a significant impact upon the council's operating environment. The council is focused on delivering its Covid-19 recovery strategy and its response, normalisation and recovery work has had an impact upon all areas of its activities in addition to wider impacts upon the borough.</p>
<b>OPTIONS CONSIDERED:</b>
Not applicable.
<b>RECOMMENDATIONS:</b>
Members are requested to consider the contents of the Corporate Risk Register and confirm agreement with Management Team's assessment of the risks to the corporate business plan/Covid-19 recovery strategy.
<b>REASONS FOR RECOMMENDATIONS:</b>
In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The Risk Management Policy and Risk Management Strategy covering this reporting period were approved by Council in April 2019.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk. To this end, the committee receives reports on the position of the Corporate Risk Register, with the last one being presented to the committee on 27 July 2020. This report is for the period up to end of April 2021.
- 1.3 The Corporate Risk Register is reviewed by Management Team on a 6-monthly basis. This review has been delayed due to resources being focused on Covid 19. Existing entries on the register are considered for changes to the nature of the risk, progress to be reported and any adjustments to the risk scores. Risks that are no longer relevant are proposed for removal and new risks considered in the context of current circumstances are added.
- 1.4 A summary of the changes to the Corporate Risk Register since the last monitoring report are detailed in section 2 below. Details of the 'Very High' risks are given in Appendix 1 together with a list of the 'High' risks.
- 1.5 Each risk on the register is scored in terms of Impact and Likelihood, according to criteria defined within the Corporate Risk Strategy. The broad definitions and risk matrix are attached for reference in Appendix 2.
- 1.6 The full Corporate Risk Register, as agreed by Management Team, has been provided to the Audit Committee in hard copy, for reference.
- 1.7 Appendix 3 sets out the corporate risks in score order.
- 1.8 Attached at Appendix 4 is list of risks that have been removed from the register since May 2018.

### **2. Changes to the Corporate Risk Register**

- 2.1 The Risk Management Policy states that to 'ensure it is effective, risk management needs to be aligned with corporate aims, objectives and priorities'. As such the format of the risk register is ordered to reflect the priorities as contained in the Corporate Business Plan. This makes the link between the priorities and the management of associated risks clearer.
- 2.2 Apart from small changes made from a fresh review of the content and updates on progress for various entries, the main changes since the last report are listed below.
- 2.3 Risk rating amendments – higher score
  - 2.3.1 No risk scores have increased in this update. In the previous update, eleven risks were scored higher reflecting the impact of Covid-19 upon the impact and likelihood of vulnerabilities arising. The impact is evident in delays, additional unplanned costs or falls in income and collection rates, reductions in capacity and wider effects upon

the local economy and communities that lead to new and unplanned activities. The probability of vulnerabilities arising continues to be amplified by the virus and variants.

#### 2.4 Risk rating amendments – lower score

2.4.1 No risks are proposed to have lower scores.

#### 2.5 Risks proposed to be added to the register

2.5.1 In the previous update, three new risks were added to the register including Covid-19, flood management/coastal erosion and carbon emissions.

2.5.2 A number of emerging risks are being monitored for future consideration with several arising from future legislation announced in the Queens Speech 2021. These include:

- Environment Bill
- Electoral Integrity Bill
- Planning Bill
- Procurement Bill
- Local authority owned companies (included as an action in the council's Annual Governance Statement).

#### 2.6 Risks proposed to be removed from the register

2.6.1 There are no proposals to remove risks from the register.

#### 2.7 Changes in focus of risks

2.7.1 The proposed changes are shown in italics and reflect a change in the national planning policy system.

Risk 2.4 - 5-year land supply and housing delivery *test*

Current risk description:

The Planning Inspectorate does not agree that the Council has identified an adequate supply of land designated as housing development land for the next 5 years, and consequently this will lead to development approved in areas that the Council does not want developed.

Proposed risk description:

The *Government* or the Planning Inspectorate does not agree that the Council has identified an adequate supply of land designated as housing development land for the next 5 years, *or has not delivered against the nationally set target of homes to be built every year*, and consequently this will lead to development approved in areas that the Council does not want developed.

### 3. **Conclusion**

3.1 The Corporate Risk Register continues to be actively monitored by Management Team on a periodic basis.

#### **4 Corporate Priorities**

4.1 The Corporate Risk Register is aligned with the Corporate Business Plan.

#### **5 Policy Implications**

5.1 The updated register reflects emerging policy development related to climate change.

#### **6 Financial Implications**

6.1 The Corporate Risk Register is designed to assist senior management to identify and manage any financial implications identified through normal operations.

#### **7 Personnel Implications**

7.1 None.

#### **8 Statutory Considerations**

8.1 Account and Audit Regulations 2015 - s3(c). The council must ensure that it has 'effective arrangements for the management of risk'.

#### **9 Equality Opportunity Considerations**

9.1 None

#### **10 Risk Management Implications**

10.1 The council has in place a Risk Management Policy and Strategy.

10.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the council's objectives. It is a tool used by the Chief Executive and the executive directors (Management Team) to help manage risk across the authority and is a key document within the governance controls applied within the council.

#### **11 Recommendations**

11.1 Members are requested to:

- a) consider the contents of the risk register;
- b) confirm agreement with Management Team's assessment of the register:
  - i. No risk scores are increased (outlined in section 2.3)
  - ii. No risk scores are reduced (outlined in section 2.4)
  - iii. No new risks are added (outlined in section 2.5)
  - iv. No risks are deleted (outlined in section 2.6)
  - v. Risk 2.4 is reframed (outlined in section 2.7).

#### **12.0 Declarations of Interest / Dispensations Granted**

12.1 None.

#### **Background Papers**

Previous Corporate Risk Registers reported to Audit Committee  
Risk Management Policy and Strategy

## APPENDIX 1

### Risk name: Financial plan

Ref	Description	Mitigation	Progress
1.10	<p>Balancing income and expenditure for both Revenue and Capital as set out in the estimates will become more challenging. In addition to the current Covid 19 and economic situations, within which there are significant pressures upon spending and income at both local and national levels, there are known changes needed to funding streams from 2021/22 (due to happen in 2020/21 but delayed a further year by the government), with a move from relying on local taxation rather than funding from Central Government. The current Budget Plan assumes challenging levels of savings in revenue costs and increased reliance on investment in major capital projects to provide future revenue income. There is a possibility that assumptions will not be fully met particularly with the impact of Covid 19 and resultant economic challenges.</p>	<ol style="list-style-type: none"> <li>1. A review of the costs and provision of all services will continue with the aim of reducing costs and if necessary reduce services to match income.</li> <li>2. Attendance at consultation updates from LGA / MHCLG.</li> <li>3. Budgets will be monitored/reported against estimates on a regular basis.</li> <li>4. Balanced and funded budget to 2021/22.</li> <li>5. Efficiency Plan and multi-year settlement with Government.</li> <li>6. Capital and property investment strategy and related monitoring process.</li> <li>7. Planned and unplanned savings transferred to General Fund balance to adapt to reduction in central government funding.</li> <li>8. Cabinet and Management Team away days to focus on financial management.</li> <li>9. Budget presentations to council panels.</li> <li>10. MHCLG funding related to Covid-19.</li> </ol>	<p>Budget training for members is provided to raise awareness of budget issues. Clarity of the impact of the Fair Funding Review 2020 and Business Rates Retention awaited and remain a concern. Proposals to fund local government via business rates retention reforms remain a risk. Sector and Treasury Management advice in light of uncertainties such as Brexit. Corporate financial model is being developed covering investment schemes. Additional funding received for Brexit preparations (£35,000 split across 18/19 and 19/20), but we are not aware of any further funding for 2020/21. Significant financial impact following outbreak of Covid-19 with Government providing emergency funding of £4m in 20/21 with a further claim due to be submitted against the SFC Scheme. Financial Plan approved by Council in February 2021 which sets out Government Grants announced for 2021/22 with budget gap of £3.4m to address by 2024/25. Cost reduction plan refresh underway. Spending review delayed again and anticipated in autumn.</p>

16

<b>Risk Score:</b>	Score = 20	
Impact	Extreme	5
Likelihood	Likely	4

**Risk name: Business Rates**

Ref	Description	Mitigation	Progress
1.12	The financial plan may be adversely affected as a result of substantial events that affect the Business Rates due to the Council. Such events may be appeals being agreed leading to substantial Rateable Value reductions; reliefs being granted; failure to grow the business rate tax base or closure of a large business; and uncertainty relating to the 100% retention of Business Rates in future.	<ol style="list-style-type: none"> <li>1. Reserves created for measurable risks and membership of the Norfolk Business Rates Pool.</li> <li>2. Continue to monitor potential areas of risk and work with LGA where possible.</li> <li>3. Continue working with major businesses to reduce the possibility of closure.</li> <li>4. VOA has changed its appeal process - now check, challenge and appeal, which seems to have reduced the number of appeals coming through. although it is still early days with this new process so reserves have been maintained at existing levels.</li> </ol>	NHS appeal withdrawn so contingent liability can be removed from statement of accounts. Due to uncertainty of EU Transition compounded by impact of Covid on business rates, a decision was made to collapse the Norfolk Business Rates Pool in 2021/22 with a review to be carried out whether to resurrect it again for 2022/23. Regular updates provided to Government on impact to business rates. Government has compensation scheme in place and has continued to provide financial support to businesses through reliefs and grants. Situation will continue to be closely monitored.

17

<b>Risk Score:</b>	Score = 20	
Impact	Extreme	5
Likelihood	Likely	4

**Risk name: Financial ledger software replacement**

Ref	Description	Mitigation	Progress
1.17	The risk is that: Failure of tender process to procure an appropriate software solution and/or the ability to effectively implement new software in accordance with required timescales, resulting in disruption to service delivery, processing times, impact on Council reputation and ability to meet mandatory financial reporting deadlines.	<ol style="list-style-type: none"> <li>1. Adherence to agreed procurement procedures.</li> <li>2. Allocation of appropriate resources to the project.</li> <li>3. Knowledge, skills and experience of those working on the project.</li> <li>4. Use of software provider support.</li> <li>5. Prioritisation of work programme.</li> </ol>	'Implementation on 1 April 2020. Numerous issues following system going live which were not apparent during testing causing additional workload when resource is already stretched. Impact of Covid has disrupted team and project capacity and have had to adapt to different working methods. Issues still emerging which divert team resource but also implications for customers that team are working with.

<b>Risk Score:</b>	Score = 16	
Impact	Major	4
Likelihood	Likely	4

**Risk name: Covid-19**

Ref	Description	Mitigation	Progress
1.20	Virus results in national and local measures to contain outbreak with consequences for commercial services, service delivery and staff well-being.	<ol style="list-style-type: none"> <li>1. Business continuity arrangements including critical services and "Loss of staff" threat analysis and interventions.</li> <li>2. Emergency planning liaising with Norfolk Resilience Forum and structures.</li> <li>3. Insurance</li> <li>4. ICT network and capability to support agile working (tele/video-conferences, working from home and alternative locations, Office 365, Teams, Zoom, Youtube).</li> <li>5. Digital and telephony access to services to minimise face to face interactions.</li> <li>6. Lobbying for government support.</li> <li>7. Recovery strategy.</li> <li>8. Monitoring data.</li> <li>9. Prioritisation of services and response</li> <li>10. Government funding streams</li> </ol>	<p>Likely to be in response and recovery phases for a further 12 months pending impact of new Covid-19 variant(s). Multiple impacts upon council services and financial plan. Some significant pressures upon specialist areas for example lockdown easements and issuing of grants. Participation in Norfolk Resilience Forum (Strategic Coordinating Group, Tactical Coordination Group, delivery groups, Local Coordination Group, Multi-Agency Fusion Group, etc). Management Team considered response to staff affected by Covid 19 and guidance notes issued to staff, members, on website, social media, etc. Support from Emergency Planning team. Business Continuity team focusing on response, normalisation and moving towards recovery phase. Administration of various grant schemes for local businesses. Advice to premises upon re-opening in line with national and industry Covid 19 guidelines. Development and implementation of a council recovery strategy. Ventilation survey commissioned with related workplace adjustments. Monitoring of data to assess recovery and potential for future virus peak. Liaison with CCG and QE Hospital and Public Health on health related issues, vaccination centre, public messaging, etc.</p>

19

<b>Risk Score:</b>	Score = 20	
Impact	Major	4
Likelihood	Almost certain	5

**Risk name: Local employment**

Ref	Description	Mitigation	Progress
2.1	The ability to attract new investment could be adversely affected by potential barriers in the local economy such as availability of premises, levels of skills in the workforce and related low value work.	<ol style="list-style-type: none"> <li>1. Delivery of an Enterprise Centre and implementation of skills &amp; training initiatives with partners and business sectors.</li> <li>2. The opening up of employment land at Hardwick and Campbell's Meadows in KL and at St John's Business Estate in Downham Market.</li> <li>3. Information packs on the local area and to aid recruitment are provided on request.</li> <li>4. Maintain regular contact with Department for International Trade and market investment opportunities with them.</li> <li>5. Effectively handle enquires received direct, whether from inside or outside the Borough.</li> <li>6. Active involvement with New Anglia LEP and Greater Cambridge Greater Peterborough LEP.</li> <li>7. Enterprise Zone development.</li> <li>8. Use of external funds to de-risk developments.</li> </ol>	<p>Project funding targeted at raising attainment in local schools from Second Homes money. Land at Downham Market and NORA is actively marketed. The King's Lynn Innovation Centre (KLIC) has high occupancy. A marketing plan for the Nar Ouse Business Park Enterprise Zone implemented. Gas main diversion completed. Nar Ouse site infrastructure &amp; Phase 1 premises construction progressing. LEP financing helps to de-risk the development. Engagement with the BID. Early interest shown by several local companies seeking to expand. Ongoing uncertainty arising from Covid-19 and EU transition may delay company investment decisions. Pre-Covid 19, unemployment rate was at a low level but has risen with economic impact of Covid 19 and may rise further following the anticipated end of furloughing in Sept 2021. H&amp;M store opened Nov 2019 adding to the town centre offer but Covid-19 has led to store closures. Management restructure strengthened focus on regeneration. External funding being progressed via sources such as High Street Heritage Action Zone, Town Fund, Future High Streets Fund, etc.</p> <p>Job retention scheme.</p> <p>National measures contained in Chancellor's statement on 8 July announcing investment in skills, creating jobs, apprenticeships and opportunities for young people and measures to support retail, hospitality and tourism sectors such as VAT reductions, contributions towards dining out, etc.</p> <p>Economic recovery strategies at borough, county and LEP areas.</p>

20

<b>Risk Score:</b>	Score = 16	
Impact	Major	4
Likelihood	Likely	4

**Risk name: Empty retail properties / town centre decline**

Ref	Description	Mitigation	Progress
2.2	Loss of town centre businesses leads to a continued downward spiral resulting in long-term depression of the towns.	<ol style="list-style-type: none"> <li>1. Continued support to businesses through hardship relief.</li> <li>2. Active management of lettings and promotion of a positive image of the town to potential businesses.</li> <li>3. Initiatives to promote the town to visitors, shoppers and businesses.</li> <li>4. Town Centre Partnership/BID.</li> <li>5. Transport and town centre studies.</li> <li>6. Bids for external funding such as Town Fund, Future High Streets Fund. High Street Heritage Action Zone.</li> <li>7. Improvements to key access roads and junctions.</li> <li>8. Management capacity.</li> <li>9. Covid 19 response to reopening high street</li> <li>10. Payment plans for commercial tenants</li> </ol>	<p>National retail statistics indicate reductions in town centre footfall compounded by ongoing economic uncertainty, Covid 19 concerns and shift to online shopping. Range of national retailers and hospitality businesses reducing their operations.</p> <p>Government policies and funding streams such as Eat out to Help Out and VAT reductions to support town centre activity.</p> <p>Actively identifying opportunities to repurpose vacant retail units including conversion to residential and creating flexible pop up retail opportunities for micro-businesses/niche retailers plus community based organisations.</p>

21

<b>Risk Score:</b>	Score = 16	
Impact	Major	4
Likelihood	Likely	4

**Risk name: Provision of leisure and cultural services**

Ref	Description	Mitigation	Progress
6.1	New service delivery model does not perform to expectations and business plan.	<ol style="list-style-type: none"> <li>1. Due diligence; financial and legal arrangements.</li> <li>2. Legal advice and technical expertise bought in where required.</li> <li>3. Project board established.</li> <li>4. Strategy, business case, business plan development and management of project risk register.</li> <li>5. Stakeholder engagement. Communications support.</li> <li>6. Consideration of VAT issues arising from a change in delivery model.</li> <li>7. Reports to Cabinet (5 Feb 2019) and Environment and Community Panel (22 Jan 2019) with regard to the transfer of the Leisure Services operation from ALT to the Council.</li> <li>8. Heads of Terms agreement agreed and aiming for 1 July 2019 handover.</li> <li>9. Alive West Norfolk council wholly owned company established and directors appointed.</li> <li>10. Financial ledger for new company.</li> <li>11. Contract monitoring role within 2019/20 management restructure.</li> <li>12. Furloughing of staff in response to Covid 19</li> <li>13. Revised business plan responding to Covid 19</li> </ol>	<p>Company operational July 2019. Internal Audit reviewing project to identify gaps. Contract monitoring resource being introduced within the council's management restructuring in late 2019.</p> <p>Significant impact arising from Covid 19 and closure of facilities. Construction delayed on Corn Exchange cinema - revised completion and opening 25 Sept 2020. Lockdown easements with reopening of facilities from 6 Apr 2021, 12 Apr 2021 and 17 May 2021 subject to Covid-19 safety guidelines and Government roadmap. Confirmation of Government partial compensation for loss of income. Alive Corn Exchange awarded £247,690 from Government's Culture Recovery Fund.</p>

22

<b>Risk Score:</b>	Score = 20	
Impact	Major	4
Likelihood	Almost certain	5

### Risks categorized as 'High Risk' (Score 10-12)

1.1	Business continuity	12
1.2	Cost reduction programme	12
1.4	Due diligence	12
1.7	Capacity	12
1.8	Fraud and corruption	12
2.3	Major housing developments	12
2.4	5-year land supply and housing delivery test	12
2.6	Strategic land and property acquisition	12
2.8	Accelerated Construction Programme	12
2.9	Major projects programme	12
5.2	Council Reputation	12
6.2	Emergency response (External)	12
6.3	Health and Safety	12
1.14	Cyber security attack	12
3.2	Carbon emissions	12

**APPENDIX 2 - After April 2021 review**

LIKELIHOOD	5 Almost Certain	(Green)	(Orange)	(Red)	(Red) 1.20, 6.1	(Red)
	4 Likely		(Green)	(Orange) 1.2, 1.7, 2.4, 2.9, 5.2	(Red) 1.17, 2.1, 2.2	(Red) 1.10, 1.12
	3 Possible		(Green) 4.1, 4.3	(Green) 1.3, 1.9, 1.13, 1.15, 1.16, 1.18, 2.5, 2.7, 4.2, 5.3	(Orange) 1.1, 1.4, 1.8, 1.14, 2.3, 2.6, 2.8, 3.2, 6.2, 6.3	(Red)
	2 Unlikely			(Green) 1.5, 1.11, 5.1	(Green) 1.6, 1.19, 3.1	(Orange)
	1 Rare					(Green)
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
24	<b>IMPACT</b>					

<b>Risk Category</b>	<b>How the Risk should be managed</b>
Very High Risk (15 – 25) (Red)	Immediate action required. Senior Management must be involved.
High Risk (10 – 12) (Orange)	Senior Management attention needed and management responsibility specified.
Medium Risk (5 – 9) (Green)	Manage by specific monitoring or response procedures. Responsibility to be allocated by Management Team to a named Service Manager.
Low Risk (1 – 4) (White)	Manage by routine procedures, unlikely to need specific or significant application of resources.

### APPENDIX 3 - Corporate risks in score order

Ref	Title	Score
1.12	Business Rates	20
6.1	Provision of leisure and cultural services	20
1.10	Financial plan	20
1.20	Covid 19	20
2.1	Local employment	16
2.2	Empty retail properties / town centre decline	16
1.17	Financial ledger software replacement	16
1.1	Business continuity	12
1.2	Cost reduction programme	12
1.4	Due diligence	12
1.7	Capacity	12
1.8	Fraud and corruption	12
2.3	Major housing developments	12
2.4	5-year land supply and housing delivery test	12
2.6	Strategic land and property acquisition	12
2.8	Accelerated Construction Programme	12
2.9	Major projects programme	12
5.2	Council Reputation	12
6.2	Emergency response (External)	12
6.3	Health and Safety	12
1.14	Cyber security attack	12
3.2	Carbon emissions	12
1.3	Reputation management	9
1.13	Channel Shift	9
1.15	Pay Policy	9
1.16	General Data Protection Regulations (GDPR)	9
1.18	Conflicting aims (with Partners)	9
2.5	Housing market	9
2.7	West Winch/North Runcton Strategic Growth Area	9
4.2	Homelessness Reduction Act 2017 (Preventing homelessness.)	9
5.3	Improvements to heritage buildings	9
1.9	VAT	9
1.6	ICT failure of backup	8
1.19	Mobilisation of new Waste and Recycling Contract	8
3.1	Flood management and coastal erosion	8
1.5	Loss of ICT	6
1.11	Pension Fund	6
4.1	Modern Slavery	6
4.3	New regulations regarding HMOs	6
5.1	Community Relations	6

#### APPENDIX 4 - Corporate risk removed from the register

Title	The risk is that:	Risk removed
VAT - Trust arrangements	If subject to an audit, HMRC may not agree that the model used to establish the new leisure arrangements is valid in respect of claiming VAT exemptions.	Jun-19
Revenues and Benefits software tender	Failure of tender process to procure an appropriate software solution and/or the ability to effectively implement new software in accordance with required timescales, resulting in disruption to service delivery, processing times and impact on Council reputation	Jun-19
Fire compartmentalisation	Elements of King's Court are declared unsafe for habitation based on a fire safety assessment by either the Crown fire officer or BCKLWN's fire officer.	Jun-19
THi 2 Application to the Heritage Lottery Fund	Important parts of King's Lynn continue to be in a dilapidated state giving a very poor image of the town	Jun-19
Waste and Recycling Contract	The Council will not have the required vehicles or manpower to supply waste collection services if Kier, who currently have the contract to provide the service, terminate the contract at short notice.	Oct-18
King's Court	Relocation of partner organisations into King's Court risks disruption to and potential loss of/impact on services currently delivered from the site. There is also the risk of loss of income/higher implementation costs associated with moving external teams into the building.	May-18

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	16 <sup>th</sup> June 2021		
TITLE:	Internal Audit Full Year Progress Report 2020-21		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	Cllr Dickinson, Finance Portfolio Holder		
REPORT AUTHOR:	Kathy Woodward, Internal Audit Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE**

<b>PURPOSE OF REPORT/SUMMARY:</b>
To provide Members with an update on progress against the Revised Internal Audit Strategic Plan 2020-21 that was endorsed by the Audit Committee at the meeting on 27th July 2020. The report also provides an update on the fraud work for the year.
<b>KEY ISSUES:</b>
Section 5 of the Accounts and Audit Regulations 2015 state that ' <i>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.</i> '
The work of the Internal Audit team throughout the year is directed towards compliance with this requirement as well as aiming to add value to the Council's services by identifying opportunities to improve efficiency and effectiveness.
The Audit Committee Terms of Reference require it to monitor the delivery of the internal audit activity.
<b>OPTIONS CONSIDERED:</b>
<i>Not applicable</i>
<b>RECOMMENDATIONS:</b>
Members are asked to review the progress against the audit plan and to note the update of the fraud work.
<b>REASONS FOR RECOMMENDATIONS:</b>
Audit Committee members are required to monitor the delivery of the Internal Audit Plan as part of the Committee's Terms of Reference, which is legislated in section 5 of the Accounts and Audit Regulations 2015.

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The Strategic Audit Plan 2020-21, endorsed by the Audit Committee on 27<sup>th</sup> July 2020, sets out the work Internal Audit expect to carry out during the year. This work complies with the requirements of the Accounts and Audit Regulations 2015:

*Section 3 – A relevant authority must ensure that it has a sound system of internal control which:*

- a) Facilitates the effective exercise of its functions and the achievement of its aims and objectives*
- b) Ensures that the financial and operational management of the authority is effective*

*Section 5 - 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.'*

- 1.2 Performance Standard 2060 of the Public Sector Internal Audit Standards (PSIAS) requires the Audit Manager to report to the Audit Committee on the internal audit activity and performance relative to this plan.
- 1.3 The Terms of Reference for the Audit Committee require the Committee to monitor delivery of the internal audit activity to ensure that the resources and work are sufficient to fulfil the requirements of the Accounts and Audit Regulations.

### **2. Monitoring Report**

- 2.1 The revised Audit Plan for 2020-21 provided an explanation on the requirement for continued flexibility for delivery of this year's audit plan, due to the ongoing organisational pressures and uncertainties surrounding the Covid-19 pandemic.
- 2.2 The approved plan considered the resource implications that affected the team in the first six months of the year, due to redeployments, staff shielding and diverted organisational priorities to expediate the Council's emergency response to the pandemic.
- 2.3 When the plan was approved, the organisation was beginning to return to its normal functions and service delivery objectives; however, further national lockdowns in November, tiered restrictions in December and another national lockdown from January until the end of March 2021, did again affect the delivery of the audit plan.
- 2.4 The objectives of the audit team have had to adapt this year in line with organisational priorities whilst balancing the need to provide an annual audit opinion on the adequacy and effectiveness of internal controls, risk management procedures and governance processes. CIPFA have provided guidance to local authority audit managers on issuing 'Limitations of Scope' in their annual audit opinions.
- 2.5 In order to avoid issuing a limitation of scope the internal audit team has focussed its objectives towards:  
Completing outstanding audit reviews;  
New areas of emerging risk;  
Providing support to departments with new procedures as a result of regulation changes required by the Covid-19 pandemic;  
Continuing fraud prevention and detection;  
Monitoring the organisations response to covid-19, through its governance and risk management procedures.

2.6 On completion of each audit a formal report is issued to the relevant line managers, the Executive Director and Portfolio Holder. Copies are sent to the Chief Executive, Assistant Director – Resources (S151 Officer), and the external auditors, Ernst and Young. A copy is also placed on InSite and Modgov in the restricted area for members of the Audit Committee to view. Each report contains an action plan, with target dates, that has been agreed with the managers to address any observations and recommendations raised by the Internal Auditor. This forms the basis of the follow-up audit, which is carried out approximately six months later to assess progress in implementing the agreed actions.

2.7 The following audits have been completed during 2020-21 and reports issued as described above:

- Cyber Security
- Land Charges
- Whistleblowing
- Car Parking & Civil Enforcement
- CCTV
- Contract Monitoring
- Electoral Services
- Planning Control
- KLIC follow up
- Child Protection Follow up
- Housing Strategy Follow Up
- Accounts Receivable Follow up

A summary of the reports is attached as **Appendix 1** and the full versions are available under the relevant year to members of the Audit Committee on InSite and Modgov.

2.8 The following audits are currently ongoing and will be reported to the Committee in the next progress report:

- Policies (expected result – Substantial Assurance)
- Council Tax and Business Rates
- Benefits
- Planning Enforcement
- Street Cleansing
- Care and Repair
- Post Payment Assurance of Covid-19 Business Grants
- Council Offices and Sites (expected result – Substantial Assurance)

2.9 Three audits have been transferred to 2020/21 that were yet to commence during the year are:

- Payroll
- Performance and Appraisals
- ICT Disaster Recovery.

2.10 In addition to the standard audits, Internal Audit also undertook other work during the year including the following:

- Review of the Audit Manual and internal audit working papers.
- Providing support to the Finance System implementation process, ensuring compliance with relevant regulations and legislation.
- Providing support and guidance to Members of the Audit Committee
- Delivering Training for members of the Audit Committee on Anti-fraud and Anti-corruption

- Water Management Alliance audit
- Checks on the Cost of Living and Performance Related Pay calculations

2.11 In order for the Audit Manager to provide an annual audit opinion based on a balanced view of the organisation, additional consultative engagements were undertaken throughout the year. These can be broken down into the following categories covering various aspects of the annual audit opinion:

Internal Control:

- Review of Financial Regulations
- Review of Finance system authorisation structures
- Business Grant process and procedures
- Community Infrastructure Levy Covid-19 Amendment to Regulations.

Governance processes:

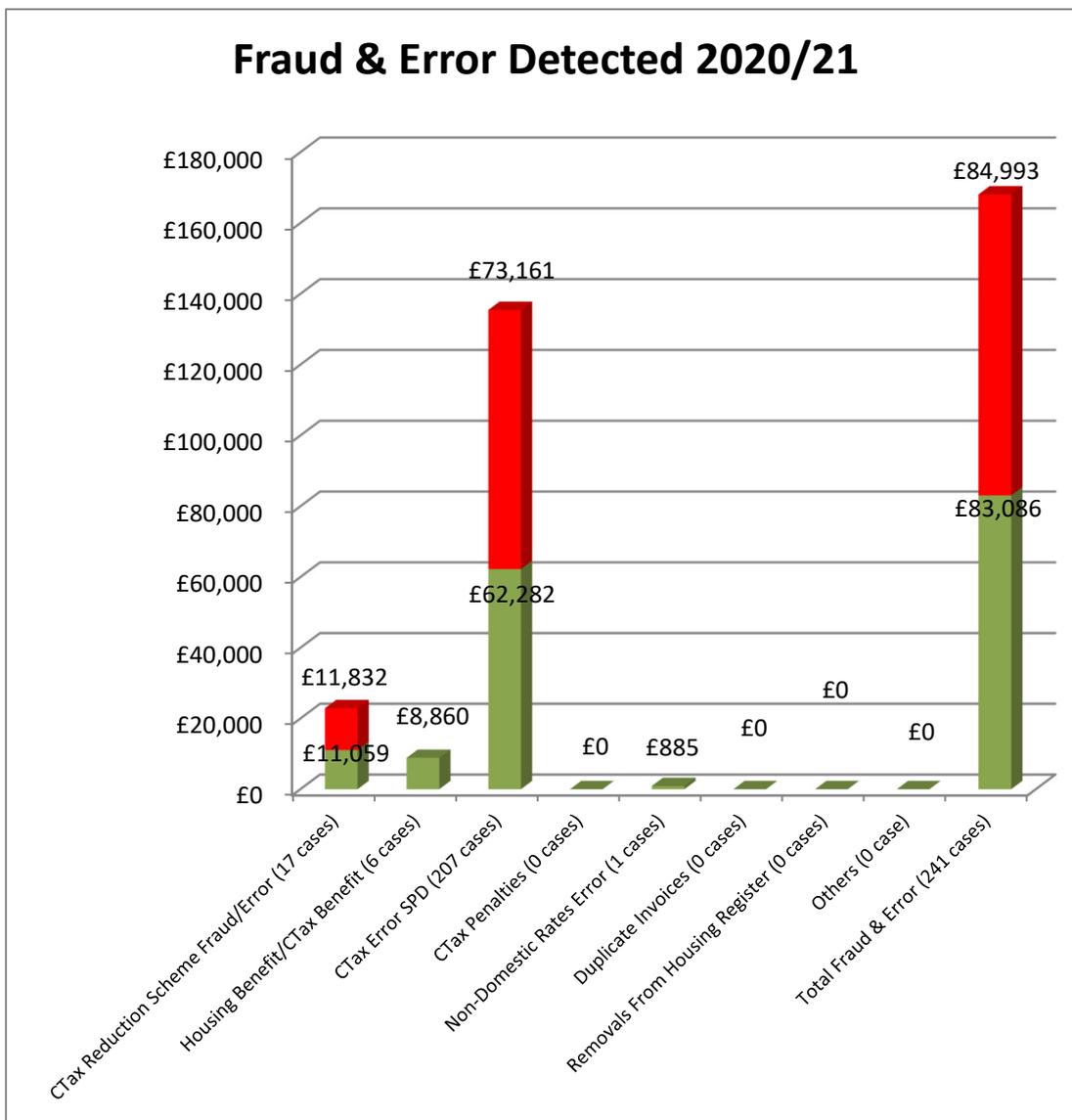
- Creation and Implementation of Anti-Money Laundering Policy
- Review of Anti-Fraud and Anti-Corruption Policy
- Review of Legal Services SLA
- Major Project Board attendance and review.

Risk Management:

- Business Grant fraud risk assessments
- Covid-19 Recovery Strategy
- Covid-19 Response monitoring.

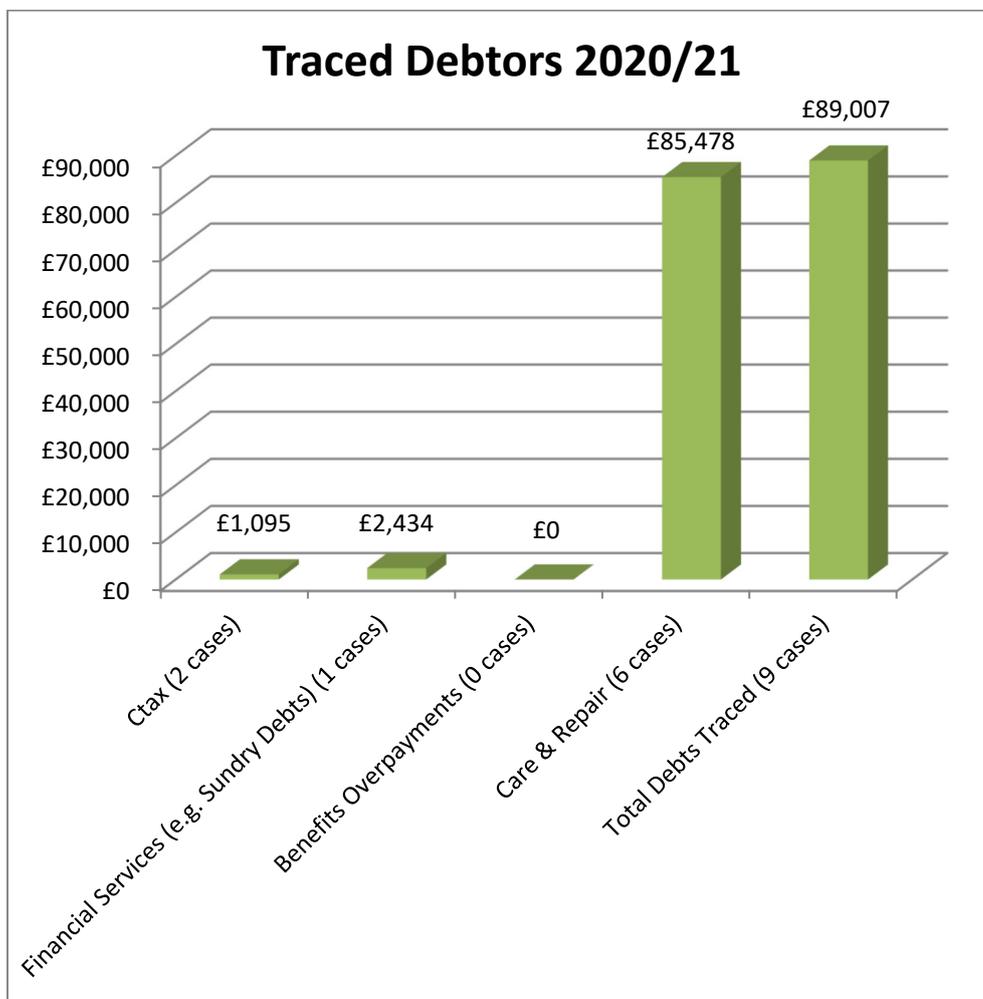
### 3. Investigations Work April 2020 – March 2021

3.1 The total fraud and error identified during 2020/21:

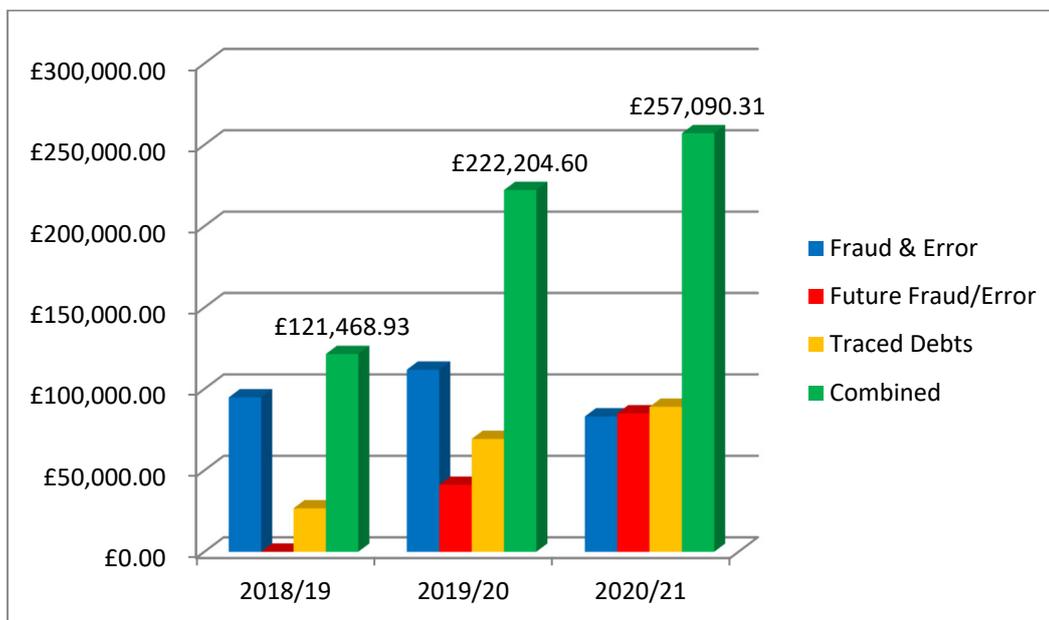


3.2 The above chart shows the actual fraud and error detected in green and the future savings that have been identified as a result of stopping the fraud and error from continuing in red; these are calculated using a national calculation methodology which has been adopted by all members of the Norfolk FraudHub.

3.3 Debtor/Absconder investigations continued on an adhoc basis to attempt to trace customers who had not advised of their address/contact information but have outstanding arrears with the Authority. Where a successful trace has been made any new address/contact information is being passed on to the relevant section for recovery purposes. The following values of Debtors/Absconders have been identified during April 2020 to March 2021:



- 3.4 Other investigation work has resulted in 37 Council Tax accounts being amended from a Single Person Discount award to a Student Disregard (the council tax liability has not changed but future fraud and error may have been prevented)
- 3.5 An outbound call team was set up to assist with the application checks undertaken for the Covid-19 Business Grant schemes, resulting in 79 businesses being identified as no longer eligible to claim the grant as a result of changes that affected their Business Rates liabilities; this therefore produced a potential saving of £790,000.00 from the exercise and furthermore allowed the authority to update our records for those 79 business rates accounts. Two members of the Internal Audit team were seconded to this small team to carry out this work.
- 3.6 Joint working with the Department for Work & Pensions Single Fraud Investigation Service on cases of suspected Council Tax Reduction Fraud where DWP benefits are also under suspicion of fraud was suspended by the DWP with immediate effect as a result of the Covid-19 pandemic and there has been no recent contact from the DWP to clarify confirm when this will resume.
- 3.7 During the financial year 2020/21, investigations have been conducted into **4,528** cases of fraud and error. Below is a comparison of the results from investigations during the past three financial years to show how this year's work compares:



\*N.B. Future fraud/error was not calculated prior to 2019/20.

3.8 As part of the investigation work conducted, data matching exercises are carried out with the Cabinet Office’s National Fraud Initiative, these exercises cross-over financial years and form part of the fraud and error figures stated above at 3.1.

There are currently two themes of National Fraud Initiative (NFI) reporting being completed:

- 1) The NFI National Exercise – This is a council wide data matching exercise, focusing on all possible areas of the council including Creditors, Payroll, Council Tax and Housing Benefits. This exercise is undertaken every two years.
- 2) The Flexible Matching Service – This is carried out annually, focusing primarily on Council Tax data matches in need of investigation. The Flexible Matching Service deals with matches mainly consisting of:
  - Council Tax Single Person Discount (SPD) - the outstanding matches are for Council Tax accounts that do not match Electoral Register information that require further investigation.
  - Additionally, some matches refer to details where the second adult is due to turn 18 between now and the end of the financial year.

3.9 The Norfolk FraudHub project has continued from its inception in 2019/20 to date, allowing fraud and error to be detected within systems more quickly by carrying out data matching exercises of key data sets more frequently between all seven district authorities in Norfolk and Norfolk County Council. This work also provides further assurance that claims, and applications are genuine, and that information and data recorded in our systems is consistent and accurate. It is hoped that new data matching options can also commence within the Norfolk FraudHub (resources permitting) including Business Rates data matching exercises for the purposes of identifying potential Small Business Rates Relief fraud and error.

3.10 As part of the “Norfolk FraudHub” project a Steering Group is also in place where best practices and knowledge is shared across each of its eight member organisations including details on emerging and new fraud risks/threats. A further product has been made available known as “AppCheck” which can be used to check any applications at the point they are received for potential fraud/error and to help prevent fraud/error entering our systems in the first instance.

- 3.11 Funding of £71,911.00 was secured during 2020/21 through Norfolk County Council for a two-year data matching project known as “Premium SPD” data matching. Due to the Covid-19 pandemic outbreak this project was delayed but then commenced during the second half of the financial year 2020/21. This has resulted in the review of 2,224 Council Tax accounts (including HMRC matches) and the removal of 254 single person discount awards resulting in identified fraud/error of £137,985.69 in year 1, with 549 reviews still outstanding and further matches having now been received for further work to continue on this project during 2021/22.
- 3.12 Below is a table outlining the number of data matches that have been received, processed, errors identified and value identified from those errors (these figures are included within the above figures at 4.1 where matches have been processed during the period 2020/21 only):

<b>Exercise</b>	<b>Matches Received as at 31/03/21</b>	<b>Matches Processed as at 31/03/21</b>	<b>Matches left as at 31/03/21</b>	<b>Errors identified as at 31/03/21</b>	<b>Value identified as at 31/03/21</b>
<b>NFI National Exercise 2018/19</b>	135	93	42	2	£1,205.25
<b>NFI FMS 2019 (inc. HMRC 2019)</b>	3,173	2,950	223	156	£75,199.87
<b>Norfolk FraudHub 2019/20</b>	948	398	550	2	£1,518.60
<b>NFI Premium 2020/21</b>	1,391	1,065	326	98	£62,785.82
<b>NFI National Exercise 2020/21</b>	525	0	525	0	£0.00
<b>NFI FMS 2021/22</b>	1,484	0	1,484	0	£0.00
<b>TOTAL</b>	<b>7,656</b>	<b>4,506</b>	<b>3,150</b>	<b>258</b>	<b>£140,709.54</b>

- 3.13 The “Fighting Fraud & Corruption Locally 2020’ national fraud and corruption strategy was released in March 2020 and was reviewed resulting in the review and update of the Anti-Fraud and Corruption Policy presented to the Audit Committee in December 2020. In addition to this a new policy entitled the Anti-Money Laundering Policy was also introduced during July 2020 offering further protection to the authority from fraud and corruption through the introduction of anti-money laundering processes and guidance.
- 3.14 Future work during 2021/22 includes a post assurance exercise being undertaken in respect of the Covid-19 business grants, which has already commenced. Discussions are being undertaken with Anglia Revenues Partnership for the trial of a new software product called “IDIS” which can undertake risk analysis using credit reference data to enable further projects to potentially be considered. The initial focus will be completion of the relevant Privacy Impact Assessments and then a pilot exercise using data matches already held for analysis of the output results. Following any successful trial further projects could be considered such as new Single Person Discount awards (identifying fraud and error sooner) and empty/void property checks to establish potential liability avoidance customers and spurious liabilities as well as establish new customers sooner and reducing the accumulation of aged debt. In addition to this further negotiations will be undertaken with Norfolk County Council to look to extend the initial 2-year project and look to expand the project over new areas highlighting further fraud and error such as Business Rates and Empty/void property checks.

#### **4. Issues for the Audit Committee to Consider**

- 4.1 The Committee needs to consider if the work completed by the Internal Audit team during 2020-21 is sufficient to support an opinion on the systems of internal control within the Council.

#### **5. Corporate Priorities**

- 5.1 The Internal Audit activity supports the achievement of the Corporate Business Plan by adding value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.

#### **6. Financial Implications**

- 6.1 None to Consider.

#### **7. Any other Implications/Risks**

- 7.1 Monitoring the work of the Internal Audit team enables the Audit Committee to receive assurance on the state of the internal control system of the Council.

#### **8. Conclusion**

- 8.1 The Strategic Internal Audit plan provides the basis for the Internal Audit team to carry out the work necessary to provide assurance on the systems of internal control. Monitoring progress against the plan ensures sufficient work is completed to provide an Annual Audit Opinion for the Annual Governance Statement and to fulfil the requirements of the Accounts and Audit Regulations 2015.

- 8.2 Progress to date has been satisfactory to provide an Annual Audit Opinion for the Annual Governance Statement.

#### **9. Background Papers**

Revised Strategic Internal Audit Plan 2020-21.  
Accounts and Audit Regulations 2015

## Notes to support the summary in Appendix 1

The following tables provide an explanation of the terms used to grade the recommendations contained in the final audit reports, and the overall opinion attributed as the result of each audit.

### Recommendations

The observations and recommendations are allocated a grading High, Medium or Low as defined below|:

High	A fundamental control process, or statutory obligation, creating the risk that significant fraud, error or malpractice could go undetected. It is expected that corrective action to resolve these will be commenced immediately.
Medium	A control process that contributes towards providing an adequate system of internal control. It is expected that corrective action to resolve these will be implemented within three to six months.
Low	These issues would contribute towards improving the system under review and are of limited risk. It is expected that corrective action to resolve these will be taken as resources permit.

Please note – ‘Low’ recommendations are not summarised in this report due to the insignificant nature of the issue.

### Audit Opinion

At the conclusion of the audit an overall audit opinion is formed for the audit area. The definition for each level of assurance is given below.

Full Assurance	In our opinion, there is a <b>sound</b> system of internal control that is likely to achieve the system objectives, and which is operating effectively in practice.
Substantial Assurance	In our opinion, there is a sound system of internal control operating, but there are a <b>few weaknesses</b> which could put the achievement of system objectives at risk.
Limited Assurance	In our opinion, there is a system of internal control with a number of weaknesses likely to <b>undermine</b> achievement of system objectives, and which is vulnerable to abuse or error.
No Assurance	In our opinion, there is a <b>fundamentally flawed</b> system of internal control that is unlikely to achieve system objectives and is vulnerable to serious abuse or error.

Audits completed April 2020 to March 2021	Overall Opinion
<p><u>Cyber Security</u>            Audit Completed August 2020            7 Medium and 8 Low risk recommendations. The medium risk recommendations relate to the update and inclusion of Cyber security measures in ICT policy documentation and training requirements for staff. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
<p><u>Land Charges</u>            Audit Completed July 2020            3 Medium and 6 Low risk recommendations. The medium risk recommendations relate to the cost recovery aspect of land charges fees and charges calculation. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
<p><u>Whistleblowing</u>            Audit Completed December 2020            14 Low risk recommendations. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
<p><u>Car Parking and Civil Enforcement.</u>            Audit Completed February 2021            4 Medium and 8 Low risk recommendations. The medium risk recommendations relate to development of a Car Parking Strategy and contract management issues. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
<p><u>CCTV</u>            Audit Completed March 2021            2 Low risk recommendations. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Full Assurance
<p><u>Contract Monitoring</u>            Audit Completed March 2021            3 Medium risk and 1 Low risk recommendations. The medium risk recommendations relate to performance management of contracts and ensuring robust, consistent contract documentation is in place. The low risk recommendation relates to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
<p><u>Electoral Services</u>            Audit Completed March 2021            1 Medium risk and 6 Low risk recommendations. The medium risk recommendation relates to assessing the suitability of polling stations. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance

Audits completed April 2020 to March 2021	Overall Opinion
---	-----------------

<p><u>Planning Control</u> Audit Completed March 2021 2 Medium risk and 3 Low risk recommendations. The medium risk recommendations relate to Member training requirements and ensuring the Council Website includes the most up to date financial charges. The low risk recommendations relate to best practice guidance identified during the course of the audit.</p>	Substantial Assurance
--	-----------------------

### Follow up report

<p><u>KLIC Lessons Learnt Follow up</u> The review of the KLIC lessons learnt audit was completed in March 2021. There were 35 recommendations made to management team on lessons that could be learnt relating to governance, project management and financial controls relating to large scale, major development projects. Of the 35 recommendations made, 34 are complete, with two following recommendations identified as a result of this review. Considerable progress has been made in how the council manages its major projects and all aspects of risk, control and governance has improved over the last two years.</p>	March 2019	July 2020 – March 2021 Further Follow Up required
<p><u>Child Protection</u> The report published in July 2019 contained 1 high risk recommendation and 1 medium recommendation and 7 low risk recommendations. Due to the impact of Covid-19 on council resources an extension of time has been agreed to complete the outstanding recommendations.</p>	July 2019 Substantial Assurance	July 2020 Further follow up required
<p><u>Housing Strategy</u> The report published in August 2019 contained 1 medium risk recommendation and 4 low recommendations. Due to the impact of Covid-19 on council resources an extension of time has been agreed to complete the outstanding recommendations.</p>	August 2019 Substantial Assurance	Aug 2020 Further follow up required
<p><u>Accounts Receivable</u> The report published in February 2019 contained 10 medium risk recommendations and 4 low risk recommendations. 3 have been actioned as a result of the implementation of the new finance system. Due to the impact of Covid-19 on council resources an extension of time has been agreed to complete the outstanding recommendations.</p>	February 2019 Substantial Assurance	Aug 2020 Further follow up required July 20

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	16 <sup>th</sup> June 2021		
TITLE:	Internal Audit Annual Report and Opinion 2020-21		
TYPE OF REPORT:	Scrutiny		
PORTFOLIO(S):	Cllr Dickinson, Finance Portfolio Holder		
REPORT AUTHOR:	Kathy Woodward, Internal Audit Manager		
OPEN		WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE**

<b>PURPOSE OF REPORT/SUMMARY:</b>
To provide the Audit Committee with an overview of the work undertaken by Internal Audit during 2020-21 and provide the Audit Manager's annual opinion on the system of internal control.
<b>KEY ISSUES:</b>
Under the Accounts and Audit Regulations 2015, the Council ' <i>must conduct a review of the effectiveness of the system of internal control</i> '. The work of Internal Audit forms part of the assurance provided to Councillors and Management Team and supports the Annual Governance Statement.  Public Sector Internal Audit Standards (PSIAS), which are mandatory for all principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations 2015, state that the Audit Manager ' <i>must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement</i> '. This report fulfils that requirement.  The report includes consideration of the effectiveness of the internal audit team and the basis of the Internal Audit Manager's opinion.
<b>OPTIONS CONSIDERED:</b>
Not applicable
<b>RECOMMENDATIONS:</b>
To receive the annual audit opinion and note the work of Internal Audit for 2020-21.
<b>REASONS FOR RECOMMENDATIONS:</b>
To comply with the requirements of the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS).

## **REPORT DETAIL**

### **1. Introduction**

Under the Accounts and Audit Regulations 2015, the Council '*must conduct a review of the effectiveness of the system of internal control*'. The work of Internal Audit forms part of the assurance provided to Councillors and Management Team and supports the Annual Governance Statement.

Public Sector Internal Audit Standards (PSIAS), which are mandatory for all principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations 2015, state that the Internal Audit Manager '*must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement*'. This report fulfils that requirement.

The Internal Audit Annual Report states the Internal Audit Manager's opinion on the system of internal control and the sources of assurance used to form this opinion.

- 1.1 To support the stated opinion, this report describes the work carried out by Internal Audit during 2020-21 and summarises the resulting findings. It also reflects on the performance against the strategic plan and the effectiveness of the Internal Audit team.

### **2. Internal Audit Manager's Opinion**

- 2.1 The Council is required to report in its annual statutory financial statements an assessment as to the adequacy of the internal control environment, risk management, and governance arrangements. This is referred to as the Annual Governance Statement.
- 2.2 Information for this purpose is drawn from many sources one of which is the work of Internal Audit in that financial year, and up to the date of the approval of the annual accounts. All audits have been carried out in conformance with the Public Sector Internal Audit Standards.
- 2.3 As part of the Annual Governance Statement evaluation, an assurance mapping exercise takes place which documents and establishes additional sources of assurance.
- 2.4 The annual audit opinion concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control
- 2.5 Based on the work that Internal Audit has performed as described in the full year progress report for 2020-21, the Internal Audit Manager's opinion for 2020-21 is that, there is "adequate" assurance as to the adequacy and effectiveness of internal controls, the risk management and governance arrangements. Management has adopted plans for improvement in control, and within appropriate timescales that will be followed-up to ensure further improvement is delivered. Potential risks and opportunities for further improvement have been incorporated into Management Action Plans.
- 2.6 On the basis of the work undertaken during the year, it is considered that the key systems operate in a sound manner and that there has been no fundamental breakdown in control resulting in material discrepancy. However, the Internal Audit Manager's opinion can only provide a reasonable, not absolute, level of assurance as to the adequacy and effectiveness of these systems.

### 3. Effectiveness of the Internal Audit team

- 3.1 The Internal Audit team consists of a part time Shared Internal Audit Manager, 1.7 FTE Auditors and 1 full time Investigation Officer/Internal Auditor. The Internal Audit Manager is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA). The Internal Auditors have either achieved a Practitioner status of the IIA or hold equivalent qualifications. The Investigation Officer / Internal Auditor is PINS (Professionalism in Security) qualified and also an Accredited Counter Fraud Manager. The full time Auditor is also undergoing training and has received mentoring support from within the team.
- 3.2 This year is the fourth full year of the Shared Internal Audit Management arrangements with Fenland District Council.
- 3.3 All members of the team undertake training as part of their Continued Professional Development (CPD). This can take the form of attending externally run courses or in-house provision. A list of the courses attended is attached as **Appendix 1**. The training covers not only technical audit issues, but also subjects that the team have to consider as part of the various audits. This all forms part of the 'Knowledge of the Business' that is fundamental to the conduct of constructive audits. The team are also expected to be aware of reports going to the various panels and committees.
- 3.4 Where specialist IT audit skills are required the Internal Audit Manager has the facility to use the IT audit services provided under the contract between Eastern Internal Audit Services (formerly the Norfolk Internal Audit Consortium), based at South Norfolk District Council, and TIAA Ltd.
- 3.5 The Internal Audit service is independent of any operational responsibilities and manages its own budget. During 2020-21, line management was through the Assistant Director – Resources and Section 151 Officer. Direct access to the Leader, or Chair of the Audit Committee was available if required.
- 3.6 Internal Audit Terms of Reference were approved by the Audit Committee on 4<sup>th</sup> September 2017. These describe the scope and objectives of the service, confirm the independent status, authority and standards by which the team operate, and define the responsibilities. The audit style and content, reporting lines and resources are also included. These have been updated and will be presented to the Audit Committee in 21/22.
- 3.7 All work in 2020-21 has been performed according to the Public Sector Internal Audit Standards (PSIAS) which are mandatory. The standards, based on the Chartered Institute of Internal Auditors' (CIIA) International Professional Practices Framework and augmented by the Local Government Application Notes (LGAN), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
- 3.8 To ensure the internal audit function meets the PSIAS requirements, an independent external quality assessment is required every five years. Such a review was carried out in 2014 by the CIIA and the next review was due in 2019. This review is currently being procured, but as a result of Covid-19 has been delayed. A further update will be provided to Audit Committee members.

3.9 The self-assessment checklist produced by the Chartered Institute of Public Finance and Accountancy (CIPFA), consisting of 209 questions, is completed each year to ensure that the team continue to comply. The questions are split over four areas and in 16 sections. The overall result for 2020-2021 was positive, with 11 sections fully compliant and five sections partially compliant. There were no areas of non-compliance. The completed PSIAS Conformance Checklist for 2020/21 is available to Members of the Audit Committee on InSite.

#### **4. Basis of Assurance**

4.1 Each year a Strategic Audit Plan is prepared by the Internal Audit Manager, showing specific audits for the next financial year and proposals for the next few years. This is then presented to the Audit Committee to endorse. The plan for 2020-21 was agreed on 27th July 2020.

4.2 The Strategic Audit Plan for the year is constructed using the Assurance Framework as a basis, with no limitations in scope. The Assurance Framework is a risk-based tool that divides the activities of the Council into five high level, and a sixth operational / service-based domains. Within these domains various activities are risk assessed and the frequency of audits for each area is based on the results. The risk assessment includes any assurance that can be gained from external sources such as the internal audit carried out by Bedford Borough Council for payroll processing. Other sources include the work of Health and Safety specialists and Security Industry Authority 'Approved Contractor' status for CCTV.

In addition to the Assurance Framework, the Internal Audit Manager has regard for:

- Corporate Business Plan
- Discussions with the Executive Directors
- Entries on the Corporate Risk Register
- Comments from the external auditors.

4.3 2020-21 was a particularly challenging year for delivery of the audit plan. The revised plan approved in July 2020 attempted to consider the changing needs of the organisation as a result of the ongoing coronavirus pandemic. The first period of lockdown saw a significant disruption in council activity which had a direct impact upon the work of the internal audit team. The plan was approved when council services were beginning to return to a normal level. However, subsequent periods of national lockdown and tiered restrictions that could not have been foreseen at the time, again impacted upon the delivery of the audit plan.

4.4 In recognition of the issues affecting internal audit teams nationwide, CIPFA issued guidance to Internal Audit Managers on how to deal with 'limitations of scope', whereby delivery of standard audit plans may not be achievable in the current climate and aspects of the three main areas required to report upon cannot provide the adequate assurance required for the annual audit opinion.

4.5 The three main areas required to be considered when giving an annual audit opinion are: the effectiveness of internal control, risk management and governance processes.

4.6 In order to avoid having to issue a limitation of scope in any of the three areas, the Internal Audit team have considered additional work alongside of the 'traditional' audit plan to enhance the level of assurance that would otherwise have been considered. The other areas of assurance are listed below:

Internal Control:

- Review of Financial Regulations
- Review of Finance system authorisation structures
- Business Grant process and procedures
- Additional Covid-19 grant funding review and assurance reporting
- Community Infrastructure Levy Covid-19 Amendment to Regulations

Governance processes:

- Creation and Implementation of Anti-Money Laundering Policy
- Review of Anti-Fraud and Anti-Corruption Policy
- Review of Legal Services SLA
- Major Project Board attendance and review
- Covid-19 communications strategy

Risk Management:

- Business Grant fraud risk assessments
- Covid-19 building risk assessments
- Covid-19 Recovery Strategy
- Covid-19 Response monitoring.

4.4 At the end of each audit a formal report is issued, containing an action plan agreed with the relevant managers to address any control weaknesses identified during the audit. The audit reports are entered on a restricted area of InSite and Modgov for members of the Management Team and the Audit Committee to view.

4.4 Each report attributes a level of assurance gained for the area being audited as below:

Full Assurance	A sound system of internal control that is likely to achieve the system objectives, and which is operating effectively in practice.
Substantial Assurance	A sound system of internal control, but there are a few weaknesses that could put achievement of system objectives at risk.
Limited Assurance	A system of internal control with a number of weaknesses likely to undermine achievement of system objectives, and which is vulnerable to abuse or error.
No Assurance	A fundamentally flawed system of internal control that is unlikely to achieve system objectives and is vulnerable to serious abuse or error.

4.5 During the year, nine internal audit reports have been issued and the results are summarised in the table at **Appendix 2**. All of the audits for 2020-21 indicate a 'Full' or 'Substantial' level of assurance.

There were no instances of 'Limited' or 'No Assurance' reports being issued.

4.6 Each audit is followed up approximately six months after the report has been issued to establish if recommendations are being implemented in accordance with the agreed action plan. Follow-up reports for 2019-20 have been granted an extension of time to complete due to the resource implications affecting teams throughout the year.

- 4.7 A follow up review of the KLIC Lessons Learnt review was completed during 2020-21. The follow up review was very positive with 34 of the 35 recommendations being completed. Considerable progress has been made in how the council manages its major projects and all aspects of risk, control and governance has improved over the last two years.

## **5. Anti-Fraud and Anti-Corruption Procedures**

- 5.1 Work with the National Fraud Initiative (NFI) has continued this year, with checks on the majority of matches from the 2018-19 National Exercise and 2019 Flexible Matching Service being completed, and work is currently underway on the 2020-21 National Exercise and 2021 Flexible Matching Service.
- 5.2 Work with the Norfolk Fraud Hub has continued this year with approximately 75% of matches identified completed. So far, this has resulted in the removal of 254 single person discount awards resulting in identified fraud and error of £137,986. Funding has been provided by Norfolk County Council to utilise a NFI premium service. The value of funding made available so far is £71,911.
- 5.3 Post Payment Assurance work on the business grants process has commenced and will be ongoing throughout 2021/22.
- 5.4 The 'Fighting Fraud & Corruption Locally 2020'" national fraud and corruption strategy, released in March 2020, was reviewed resulting in the review and update of the Anti-Fraud and Corruption Policy.
- 5.5 The Internal Audit Team did not conduct any internal fraud investigations during 2020-21.
- 5.6 A new Anti-Money Laundering Policy was introduced in July 2020 after a gap in internal controls was identified. This policy introduces new procedures and guidance as well as the signs to look out for in respect of money laundering

## **6. Risk Management**

- 6.1 The process for reviewing and updating the Risk Register has transferred to the Performance and Efficiency Manager, but responsibility for risk management lies with the Management Team (MT). As well as receiving the Internal Audit reports for their respective areas, which provide an indication of any weaknesses in the control environment, MT also review the Corporate Risk Register on a six-monthly basis in April and October. If any significant issues arise in the intervening period, they are discussed at the time and the register amended. The Audit Committee receive the Corporate Risk Register after it has been updated at the regular six-monthly intervals.

## **7. Conclusion**

- 7.1 The system of internal control is designed to manage risk to a reasonable level, and therefore cannot provide absolute assurance.

7.2 Notwithstanding the above, based on the audit work completed during 2020-21, it is the opinion of the Internal Audit Manager that:

- Adequate assurance can be gained in respect of the overall systems of internal control operating within the council.
- Risk management systems and corporate governance arrangements are satisfactory.

## **8. Background Papers**

Strategic Internal Audit Plan 2020-21  
Public Sector Internal Audit Standards (PSIAS)  
Year-end progress report 2020-21

**Training undertaken by Internal Audit 2020-2021 included:**

Data Protection Training

Fire Awareness Training

Manual Handling

CIPFA Limitation of Scope webinar

Public Sector Fraud awareness training

## Audit reports issued during 2020-21 showing assurance levels

<b>Audit title</b>	<b>Full Assurance</b>	<b>Substantial Assurance</b>	<b>Limited Assurance</b>	<b>No Assurance</b>
Cyber Security		✓		
Land Charges		✓		
Whistleblowing		✓		
Car Parking and Civil Enforcement		✓		
CCTV	✓			
Contract Monitoring		✓		
Electoral Services		✓		
Planning Control		✓		
KLIC Lessons Learnt Review		✓		
Policies (expected result)		✓		
Council Offices and Sites (expected result)		✓		

## Agenda Item 11

REPORT TO:	<b>AUDIT COMMITTEE</b>		
DATE:	16 June 2021		
TITLE:	<b>Update on Audit Progress and Timetable</b>		
TYPE OF REPORT:	For Information		
PORTFOLIO(S):	Finance - Councillor Mrs A Dickinson		
REPORT AUTHOR:	Michelle Drewery		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

<b>PURPOSE OF REPORT/SUMMARY:</b>
To update members on various audit workstreams, timetable and progress which impact on timescales for the Audit Committee workplan.
<b>RECOMMENDATIONS:</b>
That members of the Audit Committee note the contents of the report.
<b>REASONS FOR RECOMMENDATIONS:</b>
To ensure Audit Committee are informed on latest developments and progress with Audit deliverables.

### 1. Introduction

- 1.1 The Accounts and Audit Regulations 2015 (“the 2015 Regulations”) set out detailed requirements for local authorities in relation to its annual audit and accounting processes.
- 1.2 Audit Committee approved the final Statement of Accounts for 2018/2019 for the council at its meeting of 25 January 2021. Consequently, this led to a delay in commencing the audit of the Statement of Accounts for 2019/2020 and this is set to have further consequences going forward. This report sets out the current status of audit progress, estimated revised timetable alongside any additional implications.
- 1.3 In response to the ongoing pandemic, the Secretary of State has also set out some changes in legislation around the timeframe. The Accounts and Audit (Amendment) Regulations 2021 came into force on 31 March 2021. Details of these changes are set out in more detail at section 4.

### 2. Statement of Accounts 2018/19 Audit Fees

- 2.1 For audits of the accounts from 2018/19, PSAA carried out a tender process to appoint an auditor to relevant principal local government authorities that opted into its national scheme. Appointments are made for the duration of a five-year appointing period. The current appointing period covers the audits of the accounts for 2018/2019 to 2022/2023. Under this tender process, EY were confirmed as the auditor for the Council during this period. The audit of the financial statements for 2018/2019 was

carried out and concluded under this contract. The scale fees for the audit are set by Public Sector Audit Appointments (PSAA) and for 2018/19 these are published as £39,494.

2.2 At the Audit Committee meeting of 25<sup>th</sup> January 2021, members were aware that the audit had suffered delays and complications throughout and that the final cost of the audit for 2018/2019 had not been determined at that time.

2.3 The budgeted hours for completing the audit were 1,200 hours. However, the number of additional hours undertaken by EY to complete the audit were 1,150 equating to a total of 2,350 hours overall. Following consultation with the Section 151 Officer the total additional hours charged were reduced by circa 313 hours resulting in an additional cost of £49,296 bringing the total cost of the audit to £88,790. A breakdown of the additional work and associated cost is shown below:

	<b>Additional Fee £</b>	<b>Fee £</b>
Original Scale Fee (PSAA)		£ 39,494
Additional work:		
1. Going Concern assessment	£ 3,110	
2. Accounting Treatment for NWES	£ 4,741	
3. Value for Money – Governance & Monitoring	£ 4,691	
4. Value for Money – Financial Resilience	£ 2,367	
5. Group Accounting	£ 4,306	
6. EY Portal	£ 4,481	
7. Debtors and Creditors Listings	£ 1,102	
8. IFRS 9 & 15	£ 2,115	
9. PPE Valuation	£ 8,385	
10. Annual Fraud Letters	£ 492	
11. Accounts Template Issues	£ 1,666	
12. Pensions Risk, Valuations and McCloud	£ 2,997	
13. Reduced Materiality	£ 4,252	
14. Other Delays, Quality Issues and Errors	£ 4,591	
Additional Audit Fee Total	<u>£ 49,296</u>	£ 49,296
<b>TOTAL AUDIT FEE FOR 2018/19</b>		<b>£ 88,790</b>

2.4 It should be noted that the budget provision for audit fees was increased to £100,130 during 2020/2021 to accommodate an estimated increase in the fees. However, confirmation of the final fee for the audit of the Housing Benefit Subsidy Claim is currently outstanding. The original quote for this work was £20,475 plus expenses which will result in a shortfall of £9,135 against the budget estimate.

2.5 It is understood that there were delays in the completion of over 200 of the 487 local public body accounts for 2018/19 and that EY are not the only audit firm experiencing difficulties in resourcing in order to fulfil its audit arrangements within the expected timescales.

### **3. Statement of Accounts 2019/20 Update**

- 3.1 Following the completion of the Statement of Accounts for 2018/19, there were a number of amendments required to the published draft Statement of Accounts for 2019/2020. This has since led to further delays in providing the auditors with the necessary information on which to progress the audit thereby leading to a pause in the current audit timetable.
- 3.2 EY have advised that they will have one resource available to progress some elements of the audit in the week commencing 31 May 2021 but are then not able to resource a full team until week commencing 25<sup>th</sup> October 2021. It should be noted that the ongoing nature of the audit process continues to significantly impact resources in the finance team as well as other teams across the council.
- 3.3 The changing timescales for completion of the audit have been incorporated into the Audit Committee work programme which is reported separately to the Committee. These are dependant on the audit being completed to the timescales given in this report.

### **4. The Accounts and Audit (Amendment) Regulations 2021**

- 4.1 In addition to the changes locally on the Audit timetable, there has also been confirmation of the changes in legislation. The Accounts and Audit (Amendment) Regulations came into force from 31 March 2021. These amendments are set out below and impact on the financial years 2021/2022 and 2022/2023:
- The period for the exercise of public rights to inspect the accounts normally must include the first 10 working days of June in the financial year immediately following the financial year to which the statement of accounts relates. For the accounts relating to financial years 2020/2021 and 2021/2022, the Regulations remove the reference to the first 10 working days of June to require instead that the public inspection period must have started by the first working day of August.
  - Under normal legislation timescales, authorities are required to publish the audited statement of accounts and other documents by 31 July in the financial year immediately following the financial year to which the documents refer. For the accounts relating to the financial years 2020/21 and 2021/22, the deadline is amended to 30 September 2020.
- 4.2 An explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government to the Accounts and Audit Amendment Regulations 2021 and is attached as Appendix A for further information.

### **5. Statement of Accounts 2020/2021 Audit Timescales**

- 5.1 The finance team are currently working on closedown for the financial year 2020/2021 and are working to the revised deadline of publishing a draft Statement of Accounts for public inspection on 1 August 2021 in accordance with the amendments as set out in section 4.

- 5.2 EY have confirmed the timetable for their audit of the council's financial statements for 2020/2021 will take place during the period 6 December 2021 – 24 January 2022. This falls outside the dates as set out in the amended regulations which require the audited accounts to be published by 30 September. It should be noted that we are one of sixteen authorities on the EY timetable that will be impacted by this. It is understood that other
- 5.3 There is also a risk that if the 2019/2020 financial statements are not approved by then, that the timescales for this audit will need to be revised accordingly having further implications for resources and capacity for officers across the council.

## **6. Financial Implications**

- 6.1 The known financial implications are set out in the report. However, there will be additional costs to the current audit as a result of the delays set out in the report. These costs are not known at this time. Further updates will be reported as information becomes available.
- 6.2 As of April 2021, PSAA introduced a scale fee variation process. This is where PSAA sets the fee scale on an annual basis and publishes the scale fee for each individual audited body. If the auditor subsequently considers that additional work is required that is not provided for in the scale fee for an individual body, a fee variation proposal can be submitted to PSAA. This is set out in the legal framework for audit fees and variations, in the Local Audit (Appointing Person) Regulations 2015 ('the Regulations'). Regulation 17(2) provides for the auditor to propose to PSAA (as the Appointing Person) that fees should be varied where the work involved in a particular audit was substantially more or less than envisaged by the appropriate scale.
- 6.3 The latest scale fee as published by PSAA is for 2021/2022 and is £39,494. It is expected that a fee variation will be proposed in respect of 2019/2020 and subsequent years. Further updates will be reported as information becomes available.

## **7. Any other Implications/Risks**

- 7.1 Other implications and risks are set out in the report.

## **8. Equal Opportunity Considerations**

- 8.1 None

## **9. Background Papers**

[The Accounts & Audit Regulations 2015](#)

[The Accounts & Audit Regulations \(Amendment\) 2021](#)

[List of auditor appointments and scale fees – PSAA](#)

[PSAA fee variation process – PSAA](#)



**EXPLANATORY MEMORANDUM TO**  
**THE ACCOUNTS AND AUDIT (AMENDMENT) REGULATIONS 2021**  
**2021 No. 263**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

- 2.1 This instrument amends the Accounts and Audit Regulations 2015 (S.I 2015/234) (“the 2015 Regulations”) by delaying the dates for certain public and local bodies to publish, and make available for inspection, their annual accounts and supporting documents. These regulations apply only in relation to annual accounts relating to the 2020/21 and 2021/22 financial years.

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

*Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)*

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

**4. Extent and Territorial Application**

- 4.1 The territorial extent of this instrument is England and Wales.  
4.2 The territorial application of this instrument is England and Wales.

**5. European Convention on Human Rights**

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

**6. Legislative Context**

- 6.1 The 2015 Regulations set out a procedure for the audit of accounts of relevant authorities (apart from health bodies), as defined in Schedule 2 to the Local Audit and Accountability Act 2014 (“the 2014 Act”).

*(i) Period for exercise of public rights*

- 6.2 One aspect of the process involves a period during which the rights of objection, inspection and questioning of the local auditor under sections 26 and 27 of the 2014 Act may be exercised. Under section 26 interested persons and journalists may inspect the accounting records and supporting documents for a relevant authority (other than a

health service body) for the financial year and make copies of those documents. Section 27 allows a local government elector to make an objection to a local auditor if the elector considers that there is a matter about which the auditor could make a public interest report or apply for a declaration that expenditure is unlawful.

- 6.3 For “Category 1 authorities” (defined in regulation 2(1) of the 2015 Regulations) the period for the exercise of public rights must include the first 10 working days of June in the financial year immediately following the financial year to which the statement of accounts relates. A financial year begins with 1 April. For Category 1 authorities, and their statement of accounts for the financial years 2020/21 and 2021/22, these Regulations remove the reference to the first 10 working days of June to require instead that the public inspection period must have started by the first working day of August.
- 6.4 For “Category 2 authorities” (also defined in regulation 2(1) of the 2015 Regulations) the period for the exercise of public rights must include the first 10 working days of July in the financial year immediately following the financial year to which the statement of accounts relates. A financial year begins with 1 April. For Category 2 authorities, and their statement of accounts for the financial years 2020/21 and 2021/22, these Regulations remove the reference to the first 10 working days of July to require instead that the public inspection period must have started by the first working day of August.

*(ii) Deadline for publishing audited accounts*

- 6.5 After the accounts of Category 1 authorities have been audited the authorities are required to publish the statement of accounts and other documents, in accordance with regulation 10 of the 2015 Regulations. The date by which the publication must take place is currently 31 July in the financial year immediately following the financial year to which the documents refer. For Category 1 authorities, and their documents relating to the financial years 2020/21 and 2021/22, these Regulations change that deadline to 30 September 2020.
- 6.6 After the accounts of Category 2 authorities have been audited the authorities are required to publish the statement of accounts and other documents, in accordance with regulation 13 of the 2015 Regulations. The date by which the publication must take place is currently 30 September in the financial year immediately following the financial year to which the documents refer. For Category 2 authorities that date has not changed.

## **7. Policy background**

*What is being done and why?*

- 7.1 These amending regulations are being made in response to a recommendation made by Sir Tony Redmond in his independent report into the effectiveness of external audit and transparency of financial reporting in local authorities<sup>1</sup> and are intended to reduce the pressure on authorities (and auditors) to comply with legal deadlines. As such, these Regulations provide authorities with additional time to complete the audit of their accounts for 2020/21 and 2021/22.

---

<sup>1</sup> <https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>

- 7.2 Our view is that providing all authorities with more flexibility to produce their draft accounts ready for public inspection and a further 2 months for Category 1 bodies to publish their finalised accounts will provide both the authorities and their auditors with more time to audit the accounts, following two years in which a significant number of accounts have failed to be published within the legal deadlines.
- 7.3 The reason that these amendments are temporary i.e. cover only two accounting years, rather than making the change permanent is because we are seeking to provide a reduction in the pressure on authorities and auditors to fulfil statutory audit deadlines in the short term, subject to review after two years. This is because we recognise the overall benefit of external audits being completed as soon as practicable after the year end and that the longer it takes to complete them the less useful they become in identifying concerns that need to be addressed.

## **8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union**

- 8.1 This instrument does not relate to withdrawal from the European Union.

## **9. Consolidation**

- 9.1 This instrument does not consolidate any legislation.

## **10. Consultation outcome**

- 10.1 Section 32(3) of the 2014 Act requires that any regulations be subject to consultation with certain named stakeholders. These are the Comptroller and Auditor General of the National Audit Office, appropriate representatives of relevant authorities and recognised supervisory bodies. Given the need for the Regulations to be in place as soon as possible in the new financial year, to provide affected bodies and audit firms with certainty of the approach, the consultation was carried out over a three-week period, from 9 February to 1 March.
- 10.2 All the named stakeholders were consulted in writing. In addition, letters were sent to all local authority chief executives as well as to all chief fire officers and chief constables/police and crime commissioners as well as representatives of smaller authorities and audit firms. 124 responses were received and of those responses, seventy one per cent agreed with the proposed deadline extension. Sixteen per cent of respondents would have preferred to retain the original deadline and thirteen per cent requested a longer deadline.
- 10.3 Fifteen per cent of respondents suggested that more time between the draft and final publication deadlines would be needed to enable auditors to finalise the accounts, however a number of bodies responding said they would submit draft accounts before 1 August to ensure that the 30 September deadline could be met. The new draft accounts deadline will provide authorities and auditors with more flexibility to finalise the accounts enabling them to be published for inspection at any time between the end of the accounting year and 31 July.
- 10.4 Finally, eighty six per cent of respondents agreed to the proposed new requirement for authorities to publish a note on their website giving their reasons should they fail to meet the 1 August deadline for the period of public inspection. 2 respondents disagreed, and the remainder did not comment.

- 10.5 A few consultees commented that the timing of the new August draft publication deadline might unduly affect finance staff with children; however our view is that the flexibility provided by removing the earlier common publication deadline should enable affected staff to ensure that the draft accounts can be published before 1 August if needed. Given the specific and time limited nature of the changes it is not intended to publish a further consultation response.
- 10.6 It is our intention to notify all affected Category 1 bodies that these changes are being made and indicate that they should publicise these changes on their website to make the public aware, especially in relation to the amendment of the public inspection period. For Category 2 bodies, we will ensure that they are made aware of the changes via their audit procurement body and auditors.
- 10.7 Although the territorial extent of the regulations includes Wales, there are separate regulations covering Welsh authorities made by the devolved administration. Officials have consulted with Welsh, Scottish and Northern Irish devolved administration officials to make them aware of the steps we have taken so that they may consider making similar arrangements.

## **11. Guidance**

- 11.1 We are not intending to produce guidance to accompany this statutory instrument.

## **12. Impact**

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies. Audit firms will have more time to complete the audit of local authority accounts over 2020/21 and 2021/22.
- 12.2 The impact on the public sector is that local authorities will have more flexibility as to how they can respond and deploy their resources in response to the pandemic.
- 12.3 An Impact Assessment has not been prepared for this instrument because the provisions in these amending regulations have application for 2 years only i.e. will apply until 31 March 2022. In addition, this instrument does not amend regulatory standards that applied to the existing 2015 Regulations.

## **13. Regulating small business**

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

## **14. Monitoring & review**

- 14.1 The approach to monitoring of this legislation is that the changes implemented will last for 2 years after which Ministers have committed to review the deadline and consider whether the change should be extended further or revert to the deadlines set out in the 2015 regulations.
- 14.2 The regulations do not include a statutory review clause as the changes being made are temporary.

## **15. Contact**

- 15.1 Alison Morris at the Ministry of Housing, Communities and Local Government Telephone: 0303 444 2613 or email: [alison.morris@communities.gov.uk](mailto:alison.morris@communities.gov.uk) can be contacted with any queries regarding the instrument.

- 15.2 Max Soule Deputy Director for Local Government Stewardship, at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Luke Hall at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.

**FORWARD DECISIONS LIST**

<b>Date of meeting</b>	<b>Report title</b>	<b>Key or Non Key Decision</b>	<b>Decision Maker</b>	<b>Cabinet Member and Lead Officer</b>	<b>List of Background Papers</b>	<b>Public or Private Meeting</b>
15 June 2021						
	Local Plan Review Documentation – Pre Submission	Key	Council	Development Exec Dir – G Hall		Public
	Norfolk Strategic Planning Framework – Green Infrastructure and Recreational Impact Avoidance and Mitigation Strategy (GI / RAMS)	Key	Cabinet	Development Exec Dir – G Hall		Public
58	Pay Award 2021-22	Non	Cabinet	Leader Exec Dir – D Gates		Public
	Caravan Site Management Fit and Proper Person Scheme	Non	Cabinet	Housing Asst Dr – J Greenhalgh		Public
	Town Deal	Key	Cabinet	Business Development Asst Dir Housing & Place – D Hall		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Lynnsport One	Key	Council	Project Delivery Asst Dir Companies & Housing Delivery		Private - Contains exempt Information under para 3 – information relating to the

						business affairs of any person (including the authority)
	Anti Fraud and Corruption Strategy	Non	Council	Leader Asst Director S151		Public
	Southgates Regeneration Area masterplanning	Key	Cabinet	Project Delivery Asst Dir Housing & Place		Public
	Appointments to outside bodies	Non	Cabinet	Leader		Public
	Appointment to sub committees and task groups	Non	Cabinet	Leader		Public
	Review of Delegation Scheme to co-incide with changes in Cabinet areas of responsibility	Non	Council	Leader		Public

59

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
3 August 2021						
	Update to the Major Project Board Terms of reference	Non	Cabinet	Leader Asst Dir Property & Projects – M Henry		Public
	Revenue Outturn 2020/2021	Key	Cabinet	Leader Asst Dir - M Drewery		Public
	Capital Programme and Resources 2020-2025 Outturn	Key	Cabinet	Leader Asst Dir - D Drewery		Public
	Enforcement Policy	Non	Cabinet	Environmental Services and Public Protection		Public

	Parkway	Key	Council	Project Delivery Asst Dir Companies and Housing Delivery – D Gagen		Part Open part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Provision of legal services	Key	Cabinet	Leader		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
09	Interim arrangements for meetings	Non	Cabinet	Leader		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
21 September 2021						

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
16 November 2021						

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background	Public or Private Meeting

		<b>Decision</b>			<b>Papers</b>	
11 January 2022						

<b>Date of meeting</b>	<b>Report title</b>	<b>Key or Non Key Decision</b>	<b>Decision Maker</b>	<b>Cabinet Member and Lead Officer</b>	<b>List of Background Papers</b>	<b>Public or Private Meeting</b>
8 February 2022						
	Budget	Key	Council	Leader S151 Officer Asst Dir Resources		Public
	Capital Programme	Key	Council	Leader S151 Officer Asst Dir Resources		Public
	Treasury Management Strategy	Key	Council	Leader S151 Officer Asst Dir Resources		Public
61	Capital Strategy	Key	Council	Leader S151 Officer Asst Dir Resources		Public

<b>Date of meeting</b>	<b>Report title</b>	<b>Key or Non Key Decision</b>	<b>Decision Maker</b>	<b>Cabinet Member and Lead Officer</b>	<b>List of Background Papers</b>	<b>Public or Private Meeting</b>
15 March 2022						

## AUDIT COMMITTEE WORK PROGRAMME 2021/2022

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
16 June 2021	Appointment of Vice Chair for the Municipal Year 2021/2022			To appoint a Vice Chair for the Municipal Year 2021/2022.
16 June 2021	Certification of Grant Claims and Annual Report for previous financial year	Annual		To receive the annual report from the previous financial year.
16 June 2021	Corporate Risk Register – Half Yearly Update	Update	G Greaves	To receive the half yearly update report
16 June 2021	Internal Audit Annual Report and Opinion covering the previous financial year	Annual	Audit Manager	To receive the annual report and opinion covering the previous financial year.
16 June 2021	Internal Audit Full Year Progress Report covering the previous financial year	Annual	Audit Manager	To receive the half-year progress report covering the previous financial year.
16 June 2021	Update on Audit Progress and Timetable	Update	Assistant Director	To receive an update.
16 June 2021	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
16 June 2021	Work Programme 2021/2022			To identify any items for the work programme.
26 July 2021	Annual Governance Statement covering the previous financial	Annual	G Greaves	To receive the draft Annual Governance Statement covering the previous

	year 2019/2020			financial year.
26 July 2021	Draft Statement of Accounts 2019/2020 and External ISA 260 Report	Draft	M Drewery	To receive the draft statement of accounts.
26 July 2021	Annual Governance Statement covering the previous financial year 2020/2021 (in a normal year)	Annual	G Greaves	
26 July 2021	Quarterly Budget Monitoring	Quarterly	M Drewery	
26 July 2021	Major Projects Board – Update	Update	Chair	To receive an update from the Chair.
26 July 2021	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
26 July 2021	Work Programme 2021/2022			To identify any items for the work programme.
26 July 2021	Draft Statement of Accounts 2019/2020 and External ISA 260 Report	Draft	M Drewery	To receive the Draft Statement of Accounts.
26 July 2021	Risk Based Verification – Changes to Policy	EXEMPT	Jo Stanton	
6 September 2021	Business Continuity Update	Annual - Update		To receive the annual update report.
6 September 2021	Insurance Claims		M Drewery	
6 September 2021	Quarterly Budget Monitoring	Quarterly	M Drewery	To receive the quarterly monitoring report.
6 September 2021	Major Projects Risks (6 month	Review	M Henry	To receive a 6 month review.

	review)			
6 September 2021	Major Projects Board – Update	Update	Chair	To receive an update from the Chair.
6 September 2021	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
6 September 2021	Work Programme 2021/2022			To identify any items for the work programme.
22 November 2021	External Auditors’ report and ISA 260 for the previous financial year ( <i>in a Covid year</i> )	Annual	External Auditors	
22 November 2021	Statement of Accounts for previous financial year ( <i>in a Covid year</i> )		M Drewery	
22 November 2021	Annual Governance Statement covering the previous financial year ( <i>in a Covid year</i> )		G Greaves	To receive the Annual Governance Statement covering the previous financial year.
22 November 2021	Draft Annual Governance Statement current financial year	Annual – Draft	G Greaves	To receive the draft Annual Governance Statement for the current financial year
22 November 2021	Corporate Risk Register – half yearly update	Update	G Greaves	The Committee to receive the half yearly update report.
22 November 2021	Internal Audit Half Year Progress Report	Progress	Internal Audit Manager	To receive the half year progress report.
22 November 2021	Mid-Year Treasury Report	Mid-Year	M Drewery/	The Committee to receive the mid-year

			R Wilson	report.
22 November 2021	Major Projects Board – Update	Update	Chair	To receive an update from the Chair.
22 November 2021	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
22 November 2021	Work Programme 2021/2022			To identify any items for the work programme.
28 February 2022	Draft Annual Governance Statement covering the current financial year	Annual – Draft	G Greaves	To receive the draft Annual Governance Statement for the current financial year.
28 February 2022	Quarterly Budget Monitoring Report	Monitoring – Quarterly	M Drewery	To receive the quarterly budget monitoring report.
28 February 2022	Strategic External Audit Plan for the following Financial Year	Strategic	External Auditors	External Auditors to present the strategic external audit plan.
28 February 2022	Strategic Internal Audit Plan for the following Financial Year	Strategic	Internal Audit Manager	To receive the Strategic Internal Audit Plan for the following Financial Year.
28 February 2022	Major Projects Board – Update	Update	Chair	To receive an update from the Chair.
28 February 2022	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
28 February 2022	Work Programme 2021/2022			To identify any items for the work programme.
14 March 2022	External Audit Plan	Annual	External Auditors – Ernst and Young	

14 March 2022	Internal Audit Plan	Annual	Internal Audit Manager	
11 April 2022	Insurance Claims		M Drewery	
11 April 2022	Major Projects Risks – (6 month review)	Review	M Henry	To receive a 6 month review report.
11 April 2022	<b>EXEMPT:</b> Risk Base Verification Policy update	Update Exempt –		To receive the exempt report on the Risk Base Verification policy.
11 April 2022	Major Projects Board – Update	Update	Chair	To receive an update from the Chair.
11 April 2022	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
11 April 2022	Work Programme 2021/2022			To identify any items for the work programme.

69

### **Potential Future Training Sessions**

Alternatives for service delivery (services in house and those contracted out)  
Companies and Structures

### **Forthcoming Items – Date to be Identified**

Additional Audit Work – RIPA Desktop Inspection and GDPR legislation  
General overview on the Council's various sources of funding  
Housing Benefit Subsidy Report  
Internal Audit Terms of Reference

Audit Committee Terms of Reference (revised draft from 17 December 2020)  
Audit Committee Effectiveness Report 2020/2021 (2019/2020 report went to AC 27 July 2020)  
Final Report of the Cross Party Working Group  
Continuation of the Cross Party Working Group  
Risk Management Policy and Strategy Review  
Record Retention and Disposal Policy Review

Document is Restricted

Document is Restricted