

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



Audit Committee

Agenda

Monday, 15th June, 2026
at 4.30 pm

in the

**Council Chamber, Town Hall, Saturday
Market Place, King's Lynn and available to
view on [WestNorfolkBC on YouTube.](#)**

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



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Friday 5th June 2026

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Monday, 15th June, 2026 at 4.30 pm** in the **Council Chamber, 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 Municipal Year 2026/2027

To appoint a Vice- Chair for the Municipal Year

2. Apologies

To receive any apologies of absence.

3. Minutes (Pages 5 - 9)

To approve the minutes from the Audit Committee held on 23rd March 2026

4. Declarations of Interest (Page 10)

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. Audit Committee Terms of Reference (Pages 11 - 16)

For Audit Committee Members to agree and fulfil the Terms of Reference.

8. Audit and Scrutiny Relationship Protocol (Pages 17 - 24)

For the Committee to agree and the Chair to sign the protocol for the Municipal year.

9. Appointment of Independent Members to the Audit Committee

For the Committee to appoint Independent Members to the Audit Committee.

10. External Auditors 2024/2025 Auditor Annual Report (Pages 25 - 60)

11. External Auditors 2025/2026 Audit Plan (Pages 61 - 123)

12. Draft 2026 Annual Governance Statement (Pages 124 - 160)

13. 2026 - 2027 Corporate Risk Register Update (Pages 161 - 168)

14. Annual Internal Audit Progress Report (Pages 169 - 224)

15. Annual Internal Audit Opinion Report (Pages 225 - 250)

16. Chair's Correspondence

17. Work Programme and Forward Decision List (Pages 251 - 263)

To note the Committee's Work Programme for 2026/2027 and the Cabinet's Forward Decision List.

18. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 14th September 2026 at 4:30pm in the Council Chamber, Town Hall.

To:

Audit Committee: S Bearshaw, T de Winton (Chair), A Jamieson, B Jones and A Ryves

Portfolio Holders:

Councillor C Morley – Portfolio Holder for Finance
Councillor A Beales – Leader of the Council

Officers:

Kate Blakemore, Chief Executive
Michelle Drewery, Deputy Chief Executive and Section 151 Officer
Emma Hodds, Chief of Staff and Monitoring Officer
Emma Kavanagh, Chief Operating Officer
Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer
Debbie Ess, Senior Corporate Officer
Charlotte Marriott, Interim Corporate Governance Manager
Teresa Sharman, Head of Internal Audit
David Riglar, External Auditor from Ernst and Young

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 23rd March, 2026 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillors T de Winton (Chair) , P Devulapalli, A Dickinson, B Jones, P Kunes (Vice - Chair) and B Long

Portfolio Holders

Councillor C Morley, Portfolio for Finance

Councillor S Lintern, Culture and Events

Officers:

Emma Hodds, Chief of Staff and Monitoring Officer (Remotely)

Michelle Drewery, Deputy Chief Executive and Section 151 Officer

Debbie Ess, Senior Corporate Governance Officer

Teresa Sharman, Head of Internal Audit

Matthew Head, Senior Internal Auditor

Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer

A57 **APPOINTMENT OF VICE - CHAIR FOR THE MEETING**

RESOLVED: Councillor Kunes was appointed Vice – Chair for the meeting.

A58 **APOLOGIES**

Apologies were received from Councillor Ryves, Moore and Bearshaw.

In Councillor Ryves absence, as Vice – Chair, Councillor de Winton was the Chair for the meeting.

A59 **MINUTES**

RESOLVED: The minutes from the meeting held on the 17th February 2026 were agreed as a correct record and signed by the Chair.

A60 **DECLARATIONS OF INTEREST**

Councillor Long declared he was a Member of the Regional Flood and Coastal Committee in relation to the Hunstanton Sea Defences included in the Corporate Risk Register.

A61 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A62 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

A63 **CHAIR'S CORRESPONDENCE (IF ANY)**

There was none.

A64 **CORPORATE RISK MANAGEMENT REPORT UPDATE**

[Click here to view the recording of this item on YouTube.](#)

The Senior Corporate Governance Officer presented the report and outlined updates to the register, noting a reduction in the risk score for facilitating and enabling growth (R3) due to engagement with major projects, the devolution risk (R15) being placed on hold following a government decision, and an increased risk score for Hunstanton sea defences (R18) due to emergency works required for a sinkhole. She reported that risk awareness training for all staff and members was in its final development stage and will launch in April, covering cyber risk, data protection, fraud prevention, whistleblowing, and core risk concepts, and was to be incorporated into the induction programme.

The Chair thanked the Senior Corporate Governance Officer for the report and invited questions and comments from the Committee.

Councillor Jones referred to the risks, Data Management (R6) and Cybersecurity (R19) being split and questioned if the KPI's were still to be defined. The Senior Corporate Governance Officer explained that the risk previously labelled R6, covering data management and security, was to be split into two distinct risks, data management and cyber security, so that each can be addressed with tailored actions and controls, with further evaluation scheduled for the next Executive Leadership Team review.

Councillor Long sought clarification about the increased risk score for Hunstanton Sea Defences. The Senior Corporate Governance Officer clarified the increase in the risk was due to awaiting further clarification of funding and added controls were being put in place.

Councillor Long referred to his declaration of interest and highlighted the Regional Flood and Coastal Committee contributed to the decision of funding.

In response to a question from Councillor Devulapalli, the Deputy Chief Executive and Section 151 Officer clarified that the escalation was due

to both the emergence of a sinkhole and the uncertainty around securing funding for long-term repairs, with ongoing emergency works.

Councillor Jones questioned surveys were being conducted to identify if it was likely more sinkholes would appear. The Senior Corporate Governance Officer explained the wider project was being continued including further surveys planned and ongoing monitoring. She added work with external contractors to compile evidence to support the funding.

The Vice – Chair, Councillor Kunes referred to the recent funding for households for heating and oil which local authorities were to administer and questioned if this was to show on the risk register next time. The Deputy Chief Executive and Section 151 Officer explained this was to fall under a financial risk and provided assurance the Council had previously administered grants for Covid therefore this would not be considered a major risk due to previous experience.

The Chair, Councillor de Winton referred to the risk, facilitating and enabling growth (R3) which was a long-term risk and questioned the progression of providing employment.

Councillor Morley discussed the persistent risk related to the council's ability to facilitate growth. He highlighted the authorised capital expenditure for the enterprise zone, a developing housing strategy, and infrastructure projects. He commented with the ongoing plans the risk was to improve.

The Deputy Chief Executive and Section 151 Officer highlighted the role of Master Plans and the potential impact of Local Government Reorganisation

RESOLVED: Members noted the update.

A65

INTERNAL AUDIT PROGRESS REPORT

[Click here to view the recording of this item on YouTube.](#)

The Head of Internal Audit presented the report, highlighting substantial assurance for council tax and empty homes, limited assurance for disaster recovery, and outstanding recommendations.

The Chair thanked the Head of Internal Audit and invited questions and comments from the Committee.

In response to Councillor Devulapalli, the Head of Internal Audit, clarified that the housing needs assessment audit focuses on the process and how local plan, regional needs, and delivery strategy interact, rather than on specific schemes such as park homes or beach huts.

Councillor Long queried the limited assurance for disaster recovery. The Head of Internal Audit explained that the rating reflects both the need for documented procedures and the requirement for periodic testing, with scenario testing already taking place across Norfolk.

The Chair, Councillor de Winton raised concerns about increased applications for beach car passes and complaints regarding double council tax, suggesting possible changes in residency declarations and highlighting resident feedback about council tax fairness.

The Chair, Councillor de Winton highlighted longstanding audit recommendations, particularly for car park and civil enforcement, requesting more detailed updates on reasons for delays. The Deputy Chief Executive and Section 151 Officer committed to providing further information and following up on the status of these items.

RESOLVED: The Audit Committee received the Progress Report on internal audit activity.

A66

INTERNAL AUDIT PLAN

[Click here to view the recording of this item on YouTube.](#)

The Head of Internal Audit introduced the Internal Audit Plan for 2026-2027, describing the development process and updates to the audit charter and mandate. She explained that the audit plan was developed through meetings with executive teams, analysis of previous recommendations, executive plans, and corporate risks, resulting in a proposed schedule of audits for the coming year. The audit charter and mandate were updated to reflect the latest local government application note, inclusion of the Nolan principles, expanded qualifications for EQA assessors, and enhanced communication and engagement requirements with key stakeholders.

The Chair thanked the Head of Internal Audit for the report. In response to the Chair, the Head of Internal Audit confirmed the Audit Team had sufficient authority and cooperation to carry out the plan.

RESOLVED: Members reviewed and approved the Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

A67

COMMITTEE WORK PROGRAMME 2025/2026 AND FORWARD DECISION LIST

[Click here to view the recording of this item on YouTube.](#)

Councillor Long proposed that completed Audit work streams be automatically added to the work programme to facilitate ongoing monitoring. The Assistant Director for Finance and Deputy Section 151

Office agreed to integrate audit progress reports and treasury management updates into the forward plan for the next municipal year.

RESOLVED: The Audit Committee noted the Work Programme and the Forward Decisions List.

A68 **DATE OF NEXT MEETING**

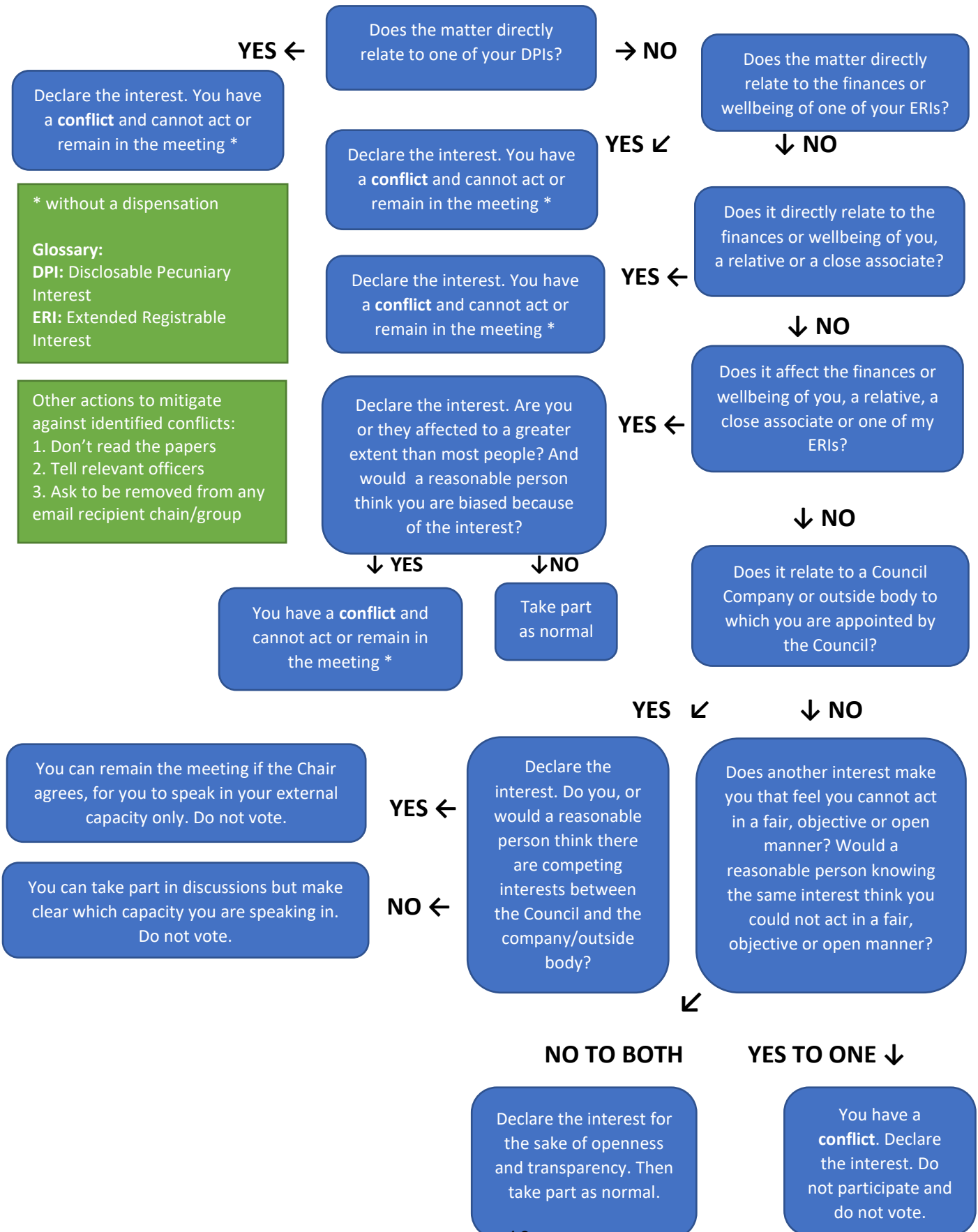
The next meeting of the Audit Committee was scheduled to take place on the 15th June 2026 at 4:30pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn.

The meeting closed at 5.04 pm

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



F - Audit Committee

Terms of Reference for the Audit Committee of the Borough Council of King's Lynn & West Norfolk

Introduction

The Audit Committee of the Borough Council of King's Lynn & West Norfolk was established in 2006 to support the authority's governance, risk management, and internal control framework, ensuring the effective and efficient use of resources. The committee is independent of both the executive and scrutiny functions and operates in accordance with the principles and recommendations of the CIPFA Audit Committees Position Statement 2022.

Purpose

The primary purpose of the Audit Committee is to provide independent assurance and high-level focus on the adequacy of governance, risk, and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk, and control, gives greater confidence to all those charged with governance that those arrangements are effective across the Council and its Wholly Owned Companies.

The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Membership

- ✓ The Audit Committee shall consist of 7 members and no councillor shall be appointed who is a member of the Cabinet, or a Deputy Cabinet Member.
- ✓ Members should be appointed to ensure independence and objectivity.
- ✓ The Chair of the Audit Committee shall be appointed by Full Council and the Audit Committee shall appoint its own Vice Chair.
- ✓ The Chair will be strong, and independently minded, displaying a depth of knowledge, skills, and interests. The key personal skills needed to be effective are:
 - Promoting apolitical discussion.
 - Managing meetings to cover all business and encouraging a candid approach from all participants.
 - Maintaining the focus of the committee on matters of greatest priority.
- ✓ At least one member should have recent and relevant financial experience.
- ✓ At least one member should be an independent co-opted member (in a non-voting capacity) where an appointment has been made by the Audit Committee. However, the Audit Committee may still operate and conduct meetings in the absence of an independent co-opted member.
- ✓ A self-assessment review of the Audit Committee's effectiveness shall be conducted on an annual basis, to help ensure the appropriate membership of the Committee and to inform on relevant training needs necessary to fulfil the role of the Audit Committee effectively.
- ✓ All members will show a willingness to operate in an apolitical manner.
- ✓ Members of the Committee shall:
 - Show unbiased attitudes treating auditors, the executive and management fairly.

- Have the ability to challenge the executive and senior managers when required, and.
- Show knowledge, expertise, and interest in the work of the committee.

Independent Members

- ✓ The Committee shall include up to two independent co-opted members appointed by the Audit Committee following an open recruitment process.
- ✓ Independent Members shall bring relevant expertise and provide independent challenge.
- ✓ Contribute to meetings by offering challenge, objectivity, insight and feedback in a politically neutral manner.
- ✓ Independent Members are not part of quorum as acting in advisory, non-decision-making capacity.
- ✓ Independent Members will be removed by Full Council if:
 - Attendance is poor
 - Conduct breaches standards
 - Independence is compromised
- ✓ Rights of Access:
 - Same rights as Elected Members
 - Information relevant to their role
 - Ability to question Officers and Auditors
 - Request reasonable and additional information

Meetings

- ✓ The committee shall meet at least four times a year.
- ✓ Additional meetings may be convened by the Chairperson as deemed necessary where workloads require it.
- ✓ A quorum for meetings shall be 3 members.
- ✓ Meetings shall be attended by the Head of Internal Audit, the Chief Financial Officer, or their relevant deputies, and representatives from External Audit as required.
- ✓ Other attendees may include the Monitoring Officer and the committee have the right to call on any other officers or agencies of the council (or Wholly Owned Companies) as required.
- ✓ There should be opportunity for the Audit Committee to meet privately and separately with the Head of Internal Audit and the External Auditor, independent of the presence of those officers with whom the auditor must retain a working relationship. If the Committee decides that a meeting is required, suitable arrangements will be made by the Chairperson.
- ✓ Portfolio holders and other Cabinet members will be invited to attend meetings in a non-voting capacity.

Core Functions and Responsibilities

1. Governance, Risk, and Control

- ✓ Review the Council's governance arrangements against the good governance framework, including the ethical framework, and consider the Code of Corporate Governance.
- ✓ Review and approve the Annual Governance Statement (AGS), and specifically consider whether it properly reflects the risk environment and supporting assurances,

including the Head of Internal Audit's annual opinion, and fairly concludes that governance arrangements are fit for purpose.

- ✓ Review the Council's Financial Regulations and Contract Standing Orders and recommend any proposals for changes to Cabinet/Full Council.
- ✓ Monitor the effective development and operation of risk management in the Council (notably through monitoring progress identified on risks included in the corporate risk register).
- ✓ Consider the effectiveness of the Council's risk management arrangements.
- ✓ Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- ✓ Report and/or recommend matters for the attention of Council through the Cabinet on issues that require further review or action.
- ✓ Request further review on matters that arise from internal and external audits, where concerns exist, and further information or assurance is required.
- ✓ Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

2. Internal Audit

- ✓ Approve the Internal Audit Charter.
- ✓ Consider the Head of Internal Audit's annual report covering conformance with the Internal Audit Standards, the annual opinion of the adequacy and effectiveness of governance, risk management and internal control at the Council and Internal Audit's performance.
- ✓ Review and approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- ✓ Approve significant interim changes to the risk-based internal audit plan and resource requirements.
- ✓ Make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
- ✓ Consider any impairments to the independence or objectivity of the Head of Internal Audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- ✓ Consider progress reports on the work of Internal Audit, including key findings, issues of concern and actions in hand as a result of internal audit work, and the implementation of agreed recommendations.
- ✓ Monitor the implementation of agreed recommendations and seek further assurance from Officers as necessary where these remain outstanding.
- ✓ Contribute to the Quality Assurance and Improvement Plan (QAIP) and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- ✓ Ensure internal audit has unrestricted access to all activities, records, property, and personnel necessary for the performance of its duties, including the Audit Chairperson.

3. External Audit

- ✓ Consider whether to opt in or out of the national scheme run by the Public Sector Audit Appointments Limited (PSAA) and if opt out, oversee the external audit process, including the appointment, reappointment, and removal of external auditors.

- ✓ Support the independence of External Audit through consideration of the External Auditor's annual assessment of its independence and review of any issues raised by PSAA or the Council's auditor panel as appropriate.
 - ✓ Consider the External Auditor's annual audit plan, and annual report for the Financial Statements, and report on value for money arrangements at the Council.
 - ✓ Comment on the scope and depth of external audit work as necessary and to ensure it gives value for money.
 - ✓ Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
 - ✓ Consider additional commissions of work from External Audit as necessary.
 - ✓ Monitor the implementation of External Audit recommendations.
 - ✓ Ensure effective coordination and relationship between internal and external audit.
 - ✓ Provide free and unfettered access to the Audit Committee Chairperson for the auditors, including the opportunity for a private meeting with the Committee.
4. Wholly owned Companies and Significant Partnerships/Collaborations
- ✓ Review the governance and assurance arrangements for significant partnerships or collaborations in which the authority is a direct participant or holds a controlling interest. This excludes any organisations that fall outside of the Council's jurisdiction, ownership, or formal collaboration agreements.
 - ✓ Receive assurance that there is a sound system of control, and risk management in place by means of an annual report from the Shareholder Committee for the wholly owned companies.
5. Arrangements for audit and assurances
- ✓ Receive reports by any other inspectorates where relevant which refer to the adequacy of the risk management framework, the internal control environment, and the integrity of financial reporting.
 - ✓ Consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
 - ✓ Recommend to Cabinet for the Instigation and/or investigation or review on matters that arise from internal and external audits, where further information is required.
 - ✓ Make recommendations to the Policy Review and Development Panels for the review of matters where the Audit Committee have outstanding issues or concerns over assurance.
 - ✓ May question Chief Officers and Cabinet Members around progress and performance against audit recommendations.
6. Financial Reporting
- ✓ Review and approve the annual financial statements (including statutory statements and legislative disclosures), and specifically, consider whether appropriate accounting policies have been followed and whether there are concerns arising from the Financial Statements or from the audit that need to be brought to the attention of the Council.
 - ✓ Consider the External Auditor's annual report, and report to those charged with governance any issues arising from the audit of the accounts as necessary.
 - ✓ Consider the External Auditor's report of Value for Money Arrangements for the Council.
 - ✓ Monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

7. Counter Fraud and Corruption

- ✓ Review and monitor the Council's policies and procedures for preventing and detecting fraud and corruption.
- ✓ Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- ✓ Review the Whistleblowing Policy and ensure that effective arrangements are in place for whistleblowing.

Exclusions within the Wider Functions of the Executive

The Audit Committee shall not assume any executive responsibilities and shall not:

- × Make or implement decisions on behalf of the Council (except in respect of the approval of the Annual Financial Statement of Accounts and the Annual Governance Statement)
- × Directly manage or approve budgets other than those related to the internal audit function.
- × Oversee operational activities or performance of specific service delivery areas, which remain the responsibility of the Cabinet, boards, or panels.
- × Involve itself in any operational issues or complaints handling.
- × Determine the authority's strategic objectives or policy framework, which is the remit of the Cabinet.

Reporting

- ✓ The Audit Committee shall report regularly to the Cabinet/Full Council., providing an annual report on the adequacy of the authority's governance, risk management, and internal control frameworks, financial reporting, and internal and external audit functions.
- ✓ Report to full Cabinet/Full Council annually on the Committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- ✓ Publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement 2022.

Review of Terms of Reference

These Terms of Reference shall be reviewed every 3 years by the Audit Committee and approved by Full Council to ensure they remain relevant and effective.

Approved by Full Council on 30 January 2025.

Scrutiny and Audit Relationship Protocol

Borough Council of
King's Lynn &
West Norfolk



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8.	Joint Working Opportunities
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1. Introduction

The Scrutiny and Audit Relationship Protocol sets out a clear framework for how oversight, assurance, and accountability functions will work together in a constructive, transparent, and coordinated way. Its purpose is to strengthen governance by defining roles, promoting effective communication, and ensuring that scrutiny and audit activity is both independent and complementary. By establishing shared expectations and principles, the protocol supports a culture of openness, continuous improvement, and collective responsibility for high-quality decision-making across the organisation.

The Protocol is not a formal part of the Council's governance arrangements, and it is not specified in the Council's Constitution.

2. Purpose of the Protocol

The general purpose of this protocol is to set out how the Chairs of the Policy Review and Development Panels and the Audit Committee will work together to complement the functions of their respective Committees.

In more specific terms, the protocol seeks to: -

- 2.1 Work in cooperation with the Scrutiny and Executive Protocol.
- 2.2 Establish a positive framework for audit and scrutiny to work effectively.
- 2.3 Maximise collaboration of Chairs of both Scrutiny and Audit.
- 2.4 Promote and uphold mutual respect and trust between Scrutiny Members, Audit Committee Members, and officers, creating an open environment that supports constructive and challenging debate.
- 2.5 Support the respective roles of scrutiny and audit in enhancing the governance framework and holding the Executive to account through proportionate and focused performance and policy review
- 2.6 Ensure that scrutiny and audit committees add value and impact in the implementation of the corporate objectives, risk management and other areas of mutual interest.
- 2.7 Outline the clear parameters of cooperation between the Committees.

3. Audit Function

The Audit Committee terms of reference, functions, roles and responsibilities are set out in the [Council's Constitution](#).

The Audit Committee's function is financial assurance, risk oversight, internal control evaluation. The Audit Committee's core purpose is to provide independent assurance and a strong strategic focus on the effectiveness of the Council's governance framework for, risk management, and internal control arrangements. This oversight supports effective internal challenge and reinforces public accountability by ensuring that appropriate systems and controls are in place.

3.1 The Audit Committee's function include;

- 3.1.1 Providing independent assurance on the governance framework for risk management, internal control, internal and external audit, wholly owned companies and significant partnerships/collaborations, arrangements for audit and assurances, and financial reporting.
- 3.1.2 Overseeing the internal audit function and monitoring implementation of audit recommendations.

- 3.1.3 Reviewing, approving and signing the annual governance statement and financial statements including statement of accounts.
- 3.1.4 Supporting ethical standards and counter-fraud arrangements
- 3.1.5 Members of the Committee shall show unbiased attitudes fostering a constructive relationship with auditors, the executive and management to provide effective challenge where appropriate.
- 3.1.6 Audit Committee considers the adequacy of the Council's risk management framework to seek assurance that the Council can manage its key risks, exposure and mitigations effectively.

3.2 Audit Committee's function **does not** include;

- 3.2.1 Direct management or approval of budgets.
- 3.2.2 Recommending to the executive considerations of those related to the internal audit function.
- 3.2.3 Oversee operational activities or performance of specific service delivery areas, which remain the responsibility of the Cabinet, boards, or panels, except where that activity is a function of the governance framework.
- 3.2.4 Review of operational complaints or performance specific to services which falls into the remit of the Scrutiny function.

4. Scrutiny Function

Scrutiny Panels terms of reference, functions, roles and responsibilities are set out in the [Council's Constitution](#).

The Scrutiny's function is to act as a critical-friend to the executive, influencing policy review and development, performance monitoring and decision-making through evidence based recommendations and transparency; including holding the executive to account for policy decisions and service performance. The Scrutiny Panels examine the potential impact of decisions on outcomes, value for money, and stakeholders. The responsibility of the Scrutiny Panel is to make recommendations to Cabinet or Council.

4.1 Scrutiny Panel's function include;

- 4.1.1 Scrutinise matters affecting the Borough or Local People
- 4.1.2 Review the performance of the Council specifically in relation to its policy objectives, performance targets or services

- 4.1.3 Post implementation reviews of major projects and significant policy changes and the introduction of new policies.
 - 4.1.4 Undertake in-year monitoring of the Medium-Term Financial Plan, including identification of risks and challenge of key assumptions
 - 4.1.5 Support setting of the medium-term financial strategy through critical examination of assumptions and ensuring alignment to corporate objectives and priorities.
 - 4.1.6 Question members of the Cabinet and senior officers about their decisions and performance
 - 4.1.7 Review the performance of other public bodies in the area
 - 4.1.8 Make reports and/or recommendations to the full Council and/or the Cabinet in connection with the discharge of any of their functions.
 - 4.1.9 Where a Scrutiny identifies a potential risk this will be communicated to the Council's Risk Management Team and recorded in the Scrutiny Action Log. The potential risk will be considered and a response provided to the relevant Scrutiny Panel. Cabinet will be kept informed of risks identified by Scrutiny Panels.
- 4.2 Scrutiny's function **does not** include;
- 4.2.1 Internal audit activity or revisit assurance work already undertaken by the Audit Committee.
 - 4.2.2 Scrutiny does not assess the adequacy or effectiveness of internal control, governance, or risk management arrangements.
 - 4.2.3 does not monitor audit recommendations, direct audit work, or review audit plans.
 - 4.2.4 Does not approve the Annual Governance Statement, Statement of Accounts, or other statutory financial reporting.
 - 4.2.5 Reviews and challenges budget does not hold responsibility for budget approval or financial management but reviews and challenges budget assumptions.
 - 4.2.6 Investigating fraud, whistleblowing, or counter-fraud matters as these areas fall within the remit of the Audit Committee and the Council's governance framework.
 - 4.2.7 Scrutiny must not influence or direct the work of internal or external auditors.

4.2.8 Overlap with the Audit Committee, Cabinet, or other Panels unless a formal referral is made, and can raise Governance Framework issues to the Audit Committee through recommendations (see section 7)

5. Difference in Scrutiny and Audit Functions

Audit focuses on systems and controls, while scrutiny focuses on policy and outcomes

5.1 The different roles of the Audit Committee and the Scrutiny Panels can be summarised as:

<u>Audit Committee Function</u>	<u>Scrutiny Panels Function</u>
<p>The Audit Committee has consideration of:</p> <ul style="list-style-type: none"> • Audit provides assurance on the robustness of the underlying financial systems, controls, and reporting • Internal Controls • Risk Management • Fraud and Whistleblowing • Internal and External Audit Reports • Annual Governance Statement • Financial Statements • Reviewing and considering if the Council have the correct procedures in place and are following those procedures 	<p>The Scrutiny Panels has consideration of:</p> <ul style="list-style-type: none"> • Scrutiny provides challenge on financial assumptions and policy choices • Scrutiny of Executive Decisions. • Monitoring and Scrutinising Service Performance • Monitoring Complaints Performance Data • Scrutiny of Budget assumptions and proposals • Policy Development and Review • Considers improvements and scrutinises Council's Policies to ensure the best outcome for the Borough

5.1.5 The Audit Committee's work programme is driven largely by statute, and the governance and financial reporting cycle. The Scrutiny work programme is driven by Policy development and review and a regular reflect on performance towards statutory obligations and corporate objectives. Where clarity is required then advice on the interpretation and application of this protocol will be given by the Monitoring Officer.

5.1.6 This Scrutiny and Audit Relationship Protocol capture the working arrangements relating to work programme planning, meetings for the Chairs of the Scrutiny Panels and Audit Committee, risk management, opportunities for joint working,

5.1.7 The Protocol should be read in conjunction with [other sections of the Constitution](#) of the Borough Council of King's Lynn and West Norfolk.

6. Principles for Effective Working

6.1 Mutual Respect and Independence

- Both bodies operate independently but complement each other.
- Neither body should duplicate the other's work or undermine its statutory purpose.
- The Audit Committee must remain non-political, as emphasised by CIPFA.
- The Chair of the Audit Committee and the Chair of the Scrutiny Panels shall meet sixth monthly of the municipal year to discuss matters of mutual interest.
- At each Joint Chair's and Vice – Chair meeting there shall be a standing agenda item entitled "Items for referral Scrutiny / Audit"

6.2 Transparency and Information Sharing

- Relevant reports (e.g., internal audit reports, risk registers, governance updates) will be shared with Scrutiny where they support policy or performance review.
- Scrutiny review findings relevant to governance or risk will be shared with the Audit Committee.
- The Chair of the Audit Committee may invite comment(s) from the Chairs of the Scrutiny Panels on the external auditor's findings on value for money.
- The Chair of the Scrutiny Panel may also invite comments from Audit on certain aspects of financial scrutiny and the budget implementation.

6.3 Avoiding Duplication

- Work programmes will be coordinated annually to avoid overlap.
- Scrutiny will not re-perform assurance work already undertaken by internal audit or the Audit Committee.
- The Audit Committee will not scrutinise policy decisions or service performance unless they relate to governance or risk.

7. Operational Arrangements

7.1 Work Programme Alignment

- Chairs (or vice-chairs) of both bodies will meet at least twice yearly to discuss:
 - Forward plans
 - Emerging risks
 - Areas of potential overlap
 - Opportunities for joint work

7.2 Sharing of Reports

- Internal audit annual plans, progress reports, and the annual opinion will be made available to the Chair of Scrutiny through Modern.gov along with reports which the Deputy Section 151 Officer and Monitoring Officer deem appropriate.
- Scrutiny review reports will be shared with the Chair of Audit Committee where they highlight governance, risk, or control issues through Modern.gov along with reports which the Deputy Section 151 Officer and Monitoring Officer deem appropriate.

7.3 Referral Mechanisms

7.3.1 Scrutiny may refer to the Audit Committee when:

- A review identifies systemic governance weaknesses.
- There is evidence of risk management failure.
- Concerns arise about the adequacy of internal controls.

7.3.2 The Audit Committee may refer to Scrutiny when:

- Audit findings indicate poor performance or policy implementation.
- A service area requires deeper policy or operational review.
- Value-for-money concerns relate to service delivery rather than governance.

7.3.3

In the event of the Audit Committee identifying an issue to refer to a Scrutiny Panel, or a Scrutiny Panel identifying an issue to refer to Audit Committee, the issue, the reasons for referral and the purpose must be clearly understood and specified in the minutes. The referral will be considered by the Chair of the relevant Committee/Panel for inclusion in the work programme. All referrals will include a clear rationale and desired outcome. Acceptance or rejection of referrals, with reasons, will be formally recorded.

8 Joint Working Opportunities

Where appropriate, the two bodies may collaborate on:

- Risk-based thematic reviews
- Governance-related performance issues
- Pre-decision scrutiny of major governance changes
- Training and development sessions

9 Review

The Scrutiny and Audit Relation Protocol will be reviewed annually and signed off by the Audit Chair and Panel Chairs at the beginning of each Municipal Year.

9.1 Monitoring

- The Audit Committee will monitor implementation of internal and external audit recommendations.
- Scrutiny may request updates where recommendations relate to service performance or policy outcomes.

9.2 Accountability

- Directors and service leads remain accountable to both bodies for responding to recommendations within their respective remits including sharing or reports.
- Democratic Services Officers are responsible for administering the Scrutiny and Audits Chair's meetings along with joint working arrangements, training and development sessions and joint working arrangements.

Signed <DATE>

Chair of the Audit Committee.....

Chair of the Corporate Performance Panel.....

Chair of the Environment and Community Panel.....

Chair of the Regeneration and Development Panel.....

Borough Council of Kings Lynn & West Norfolk

Auditor's Annual Report
Year ended 31 March 2025
13 April 2026



Shape the future
with confidence



The better the question. The better the answer. The better the world works.



Audit Committee
Borough Council of King's Lynn & West Norfolk
Kings Court, Chapel Street
King's Lynn
Norfolk
PE30 1EX

13 April 2026

Dear Audit Committee Members

2024/25 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for the Borough Council of Kings Lynn and West Norfolk. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our Value for Money findings for audit year 2024/25.

This report is intended to draw to the attention of the Members of the Borough Council of Kings Lynn and West Norfolk, any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 15 June 2026.

The [EY UK 2025 Transparency Report | EY – UK](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

David Riglar
Partner, For and on behalf of Ernst & Young LLP
Enc

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03 Value for Money Commentary

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies from 2023/24 audits - PSAA](#))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

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

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



01 Executive Summary

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Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Borough Council of Kings Lynn & West Norfolk and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing. We issued a draft Auditor's Annual Report to the S151 and Audit Committee Chair on 24 November 2025 reflecting the audit position and value for money assessment at that time. Given the current timescales in local audit, with most 2024/25 audits still in progress during November 2025, we have agreed that the requirement to issue the draft by 30 November is met by sending it to the Section 151 officer and the Chair of the Audit Committee. As our audit work is now complete and the Audit Results Report has been issued, this is the final version for the Committee.

Responsibilities of the appointed auditor

29 We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 29 April 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Borough Council of Kings Lynn & West Norfolk;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the Borough Council of Kings Lynn & West Norfolk's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

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<p>Financial statements</p>	<p>As reported in our 11 February 2025 Audit Results Report we issued a disclaimer of opinion on the Council's 2020/21, 2021/22, 2022/23 and 2023/24 Statement of Accounts under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have started to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances.</p> <p>As a result of the disclaimer of opinion on the 2023/24 Statement of Accounts, we do not have assurance over brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 Statement of Accounts. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 Statement of Accounts are free from material and pervasive misstatement of the Statement of Accounts.</p> <p>We therefore issued a disclaimed 2024/25 audit opinion on 26 February 2026.</p>
<p>Going concern</p>	<p>Where a disclaimer of opinion is issued on the Statement of Accounts, we do not conclude on whether the use of the going concern basis of accounting is appropriate.</p>
<p>Consistency of the other information published with the financial statements</p>	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
<p>Value for money (VFM)</p>	<p>We identified one matter that we reported by exception on the Council's VFM arrangements in relation to financial reporting arrangements. Further detail on this weakness and our VFM commentary is in Section 03.</p>
<p>Consistency of the annual governance statement</p>	<p>The Annual Governance Statement was consistent with our understanding of the Borough Council of King's Lynn and West Norfolk.</p>

Executive Summary (cont'd)

2024/25 conclusions (cont'd)

Additional powers and duties	We have had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete.
Certificate	We will issue our certificate once we have completed our audit responsibilities, including Whole of Government Accounts procedures.

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Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

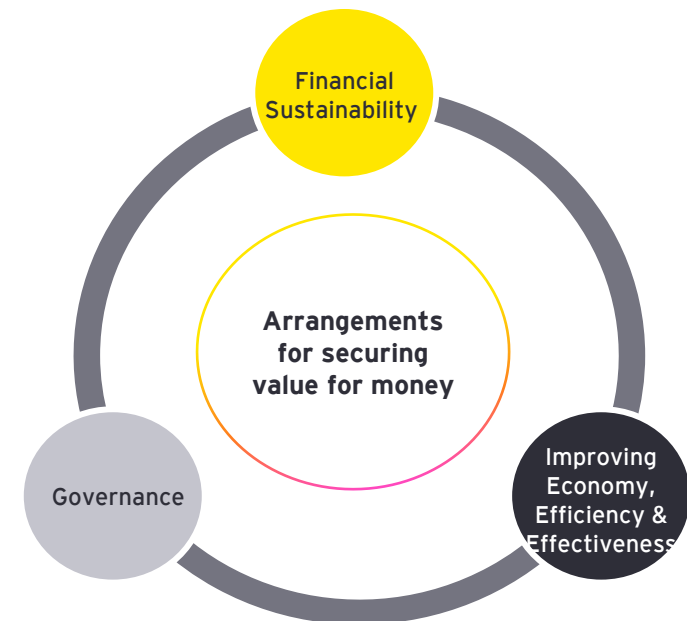
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

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

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

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



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Council, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this Auditor's Annual Report.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	One significant risk identified - financial reporting arrangements	One significant weakness identified - financial reporting arrangements
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

Executive Summary (cont'd)

Independence

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

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

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

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

34 [EY UK 2025 Transparency Report | EY - UK](#)



02

Audit of financial statements

Audit of financial statements

Key findings

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

Our audit of the 2024/25 financial statements is complete. We will report our findings in our Audit Results Report to the February 2026 Audit Committee.

Financial statement risks	
Risk area	Conclusion
Significant risk: Council and Group Statement of Accounts: Misstatement due to fraud or error	We completed our audit procedures on this risk area. We did not identify any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.
Significant risk: Council Statement of Accounts: Inappropriate capitalisation of revenue expenditure	We completed our audit procedures on this risk area. Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.
Significant risk: Group Statement of Accounts: Revenue recognition	We were unable to complete our procedures over revenue recognition in the Group. Our planned audit procedures relied upon obtaining assurances and reviewing the work of the group's subsidiary auditors over income balances consolidated from the group's corporate subsidiaries. We prepared and discussed our group audit instructions with the auditors of the group corporate subsidiaries, but due to delays in their audits of the subsidiaries we were unable to gain the required assurance from them over income balances.
Significant risk: Council Statement of Accounts: Capital accounting entries	We were unable to complete our procedures over capital accounting entries. We commenced our audit procedures over capital accounting entries and identified a significant number of audit queries relating to the agreement of the balances in the draft financial statements to the Council's general ledger and other capital entries in the draft financial statements. Officers were unable to adequately respond to our audit queries and did not provide support for the differences we identified, and we therefore were unable to complete our procedures over this risk.

Audit of financial statements

Financial statement risks	
Risk area	Conclusion
<p>Significant risk:</p> <p>Council Statement of Accounts: Valuation of Land and Buildings</p>	<p>We completed our audit procedures on this risk area.</p> <p>We did not identify any issues from our review of the work performed by the valuer over the Council's assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.</p> <p>We did not identify any issues regarding useful economic lives as a result of the most recent valuation. All assets were appropriately revalued within the Council's five-year rolling programme, and testing confirmed that accounting entries were correctly processed in the financial statements.</p> <p>Our and our internal valuers testing of a sample of assets did not identify any valuation misstatements.</p>
<p>Significant risk:</p> <p>Council and Group Statement of Accounts: Valuation of Investment Properties</p>	<p>We were unable to conclude our planned procedures in relation to Council and Group's Valuation of Investment Properties.</p> <p>We commenced our audit procedures on Investment Property valuations and employed our internal experts to test a sample of asset valuations.</p> <p>We were unable to test the Council's industrial assets as we noted some potential duplication of the assets being valued and officers were unable to provide a breakdown of these assets and therefore, we were unable to undertake our audit procedures over these assets.</p> <p>The sample of assets tested by the audit team were retail assets and we commenced testing on these assets, requesting leases to support the assets valuations. Officers were also unable to provide leases to support our sample of retail assets and therefore we were unable to conclude our work on these assets.</p> <p>Our testing over other Investment property assets identified one misstatement relating to the valuation of one Investment Property of £0.4 million and we also reported one observation regarding the valuation methodology employed by the Council's valuer relating to the use of yields.</p>
<p>Significant risk:</p> <p>Council Statement of Accounts: Pension Valuation</p>	<p>We completed our audit procedures on this risk area.</p> <p>We identified the following misstatements:</p> <ul style="list-style-type: none"> • Misstatements relating to the recognition of the asset ceiling under IFRIC 14 totalling £31.6 million. • Misstatement relating to prepayment of contributions of £1.8 million. • Disclosure misstatements as the Pension note did not reflect the requirements of the CIPFA code of practice. • We identified that the prior period balances are misstated as no asset ceiling had been applied to the pension asset in prior periods.

Audit of financial statements

Financial statement risks	
Risk area	Conclusion
<p>Other Risk: Council Statement of Accounts: Implementation of IFRS 16 Leases</p>	<p>We were unable to complete our procedures over IFRS 16 leases.</p> <p>We performed procedures to gain an understanding of the Council's implementation of IFRS 16, including its processes, controls, and related policies. We commenced our review and testing of the Council's lease working papers but identified a number of issues with the underlying working papers and disclosures in the financial statements.</p> <p>Officers could not provide updated working papers and financial statement corrections in a timely manner to allow completion of this audit work, and we therefore were unable to complete our procedures over this risk.</p>
<p>Other Risk: Group Statement of Accounts: Group Accounts</p>	<p>We were unable to complete our procedures over the Group Accounts.</p> <p>Our planned audit procedures relied upon obtaining assurances and reviewing the work of the group's subsidiary auditors.</p> <p>We prepared and discussed our group audit instructions with the auditors of the group's corporate subsidiaries, but due to delays in their audits of the subsidiaries we have been unable to gain the required assurance from them over consolidated subsidiary balances.</p>

Audit of financial statements

Financial Statement reporting assessment

Management, and the Audit Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

Where we have been unable to undertake all planned procedures, this is likely to extend the timetable to recover assurance on the Council's financial statements.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 18. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Audit of financial statements

Financial Statement reporting assessment

Area	Status			Explanation
	R	A	G	
Timeliness of the draft financial statements	Requires Improvement			The financial statements were not published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations. This was due to incomplete accounting entries relating to the valuation of Property, Plant & Equipment and Pensions. The required Notice of Delay was issued and the Statement of Accounts were subsequently published on 14 July 2025.
Quality and completeness of the draft financial statements	Requires Improvement			On initial review we identified a number of non-material internal inconsistencies, disclosure, typographical and arithmetic errors in the draft Financial Statements and have identified areas where they financial statements do not reflect the disclosure requirements of the CIPFA code of practice.
Delivery of working papers in accordance with agreed client assistance schedule	Ineffective			<p>Approximately 40% of working papers were not provided to the agreed timetable. The most significant of these were working papers relating to Debtors, Creditors, Grants, Leases, PPE and Investment Properties.</p> <p>As a result of delays in receiving working papers, we were not able to undertake planned early quality checks across all working papers and we were also required to reallocate work and consequently the audit has not progressed inline with the project plan.</p> <p>This has impacted our ability to complete all planned audit procedures, see appendix A and B for further details of procedures not completed.</p>
Quality of working papers and supporting evidence	Ineffective			<p>Our review of the working papers, identified a number of issues which required us to raise additional requests to officers for clarification and additional supporting documentation. For example, Debtors and Creditors working papers did not meet the requirements set out in our working paper request as included significant opening balances and gross balances and therefore did not provide a list of year end outstanding debtors and creditors.</p> <p>We experienced delays in the provision of additional supporting evidence from the Council and in a number of areas the quality of evidence provided to support accounting balances and transactions has either not been readily available or has not been to the quality required to allow us to conclude work first time, resulting in a significant number of requests for clarification and further evidence.</p> <p>This has impacted our ability to complete all planned audit procedures, see appendix A and B for further details of procedures not completed.</p>

Audit of financial statements

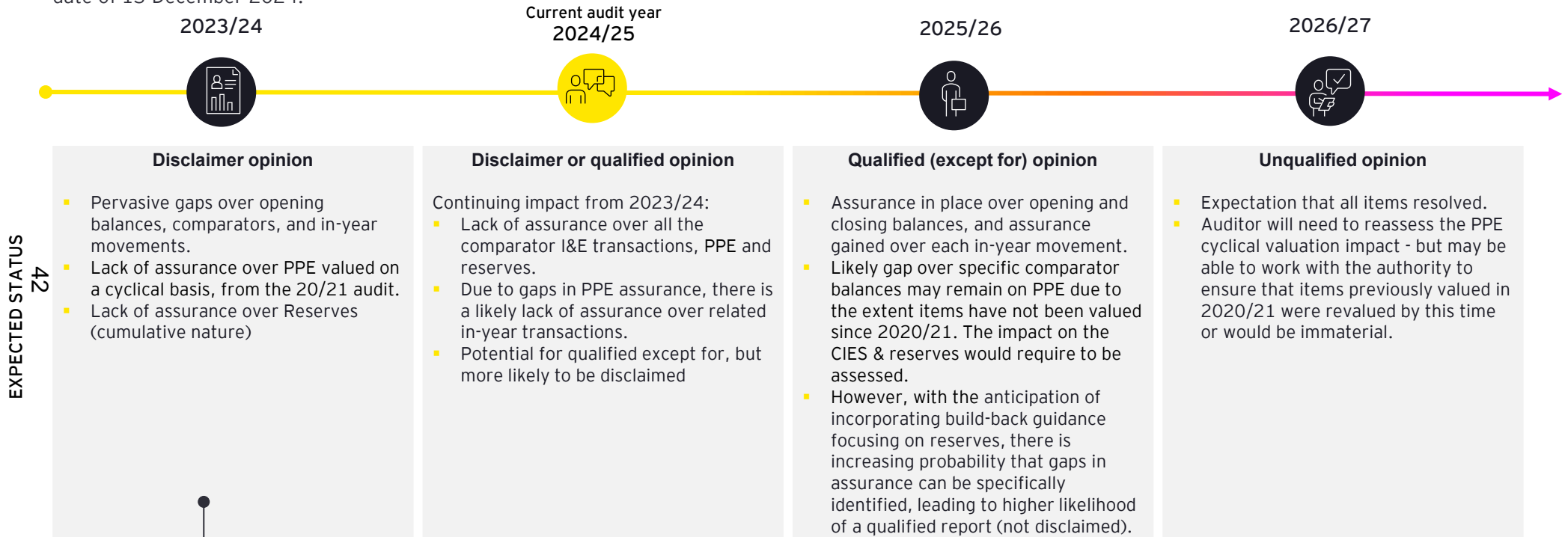
Financial Statement reporting assessment

Area	Status			Explanation
	R	A	G	
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			We experienced delays in the provision of supporting evidence relating to the valuation of Property, Plant and Equipment and Investment Property assets, this resulted in delays to the audit process.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			Overall, we did not encounter significant issues with access to the finance team, but the overall capacity of the finance team to support the audit has resulted in delays to the audit process. We did encounter some issues accessing and receiving responses/supporting evidence from officers outside of the finance team which again resulted in delays to the audit process.
Volume and value of identified misstatements	Requires improvement			We have identified a number of audit misstatements through our audit procedures.
Volume of misstatements in disclosure	Requires improvement			We identified a number of disclosure misstatements through our audit procedures.

Audit of financial statements

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



Disclaimer opinion

- Pervasive gaps over opening balances, comparators, and in-year movements.
- Lack of assurance over PPE valued on a cyclical basis, from the 20/21 audit.
- Lack of assurance over Reserves (cumulative nature)

Disclaimer or qualified opinion

- Continuing impact from 2023/24:
- Lack of assurance over all the comparator I&E transactions, PPE and reserves.
 - Due to gaps in PPE assurance, there is a likely lack of assurance over related in-year transactions.
 - Potential for qualified except for, but more likely to be disclaimed

Qualified (except for) opinion

- Assurance in place over opening and closing balances, and assurance gained over each in-year movement.
- Likely gap over specific comparator balances may remain on PPE due to the extent items have not been valued since 2020/21. The impact on the CIES & reserves would require to be assessed.
- However, with the anticipation of incorporating build-back guidance focusing on reserves, there is increasing probability that gaps in assurance can be specifically identified, leading to higher likelihood of a qualified report (not disclaimed).

Unqualified opinion

- Expectation that all items resolved.
- Auditor will need to reassess the PPE cyclical valuation impact - but may be able to work with the authority to ensure that items previously valued in 2020/21 were revalued by this time or would be immaterial.

CURRENT AUDIT STATUS OF BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

- The Council's progress is behind the expected timescales set out in LARRIG 01.
- This is because no or limited procedures were completed in 2020/21, 2021/22, 2022/23 or 2023/24- being multiple years as opposed to the single year of the LARRIG example.
- We have not able to complete all planned procedures on a number of areas of the 2024/25 financial statements as detailed in Appendix B, therefore extending the period over which we will need to rebuild audit assurances.
- This means it is unlikely that audit assurances can be rebuilt to enable an unqualified opinion by 2026/27.



03

Value for Money commentary

Value for Money

The Council's responsibilities for value for money




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

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

Our responsibilities

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

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	Significant risk identified	Significant weakness identified
 <p>Financial sustainability How the Council plans and manages its resources to ensure it can continue to deliver its services.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified.
 <p>Governance How the Council ensures that it makes informed decisions and properly manages its risks.</p>	<ul style="list-style-type: none"> One significant risk identified: The Council's ability to publish its Statement of Accounts by the target date required by the Accounts and Audit Regulations 2015 and its ability to effectively support an audit of its financial statements. 	<ul style="list-style-type: none"> One significant weakness in arrangement identified.
 <p>Improving economy, efficiency and effectiveness How the Council uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified.



VFM commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

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Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.



Financial Sustainability considerations

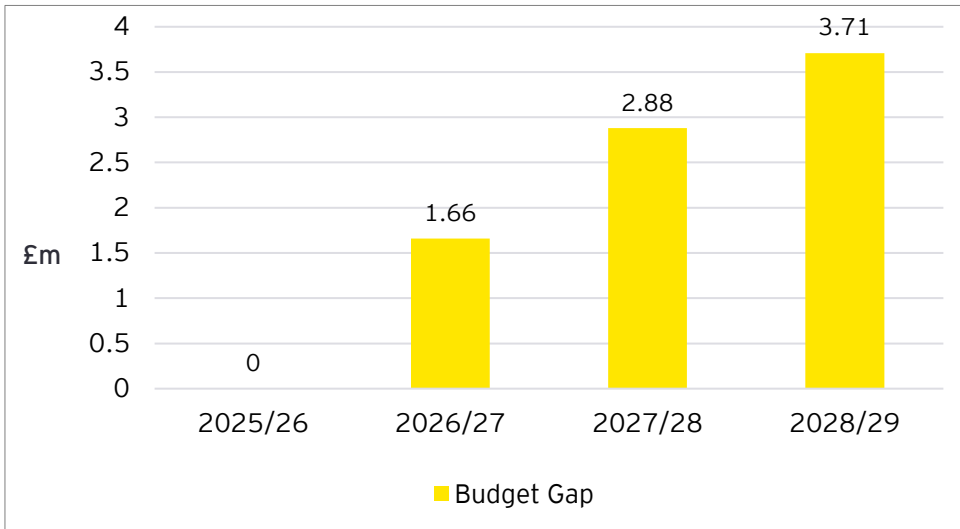
Medium Term Financial Strategy (MTFS)

The Council medium term financial strategy for 2024 to 2029 was approved at Cabinet and the full Council on the 4 and 27 February 2025 respectively. The Council approved the 2024/25 budget as part of the medium-term financial strategy.

Over the medium term, the Council faces a growing budget gap from 2026/27 of £1.66 million to £3.71 million in 2028/29. While the budget for the immediate years has been balanced through strategic use of General Fund (GF) reserves, projections indicate that these reserves will be increasingly drawn upon to cover shortfalls. This approach, while effective in the short term, introduces risks to the sustainability of reserve balances in future years.

Key drivers of the budget gap includes - operational and financial risks (rising costs, inflationary pressures and uncertainties in government funding); capital programme (housing developments and regeneration initiatives); and turnover savings and staffing (by managing vacancies, ongoing pay awards and recruitment challenges). The Council's financial strategy acknowledges these risks and outlines plans to mitigate them, including targeted savings, income generation, and careful monitoring of reserves. However, if underlying pressures persist or intensify, the depletion of reserves could compromise financial resilience in the latter years of the medium-term strategy. Whilst, the Council has managed to balance its budget in the short term, the medium-term outlook is characterised by a structural gap that will require ongoing vigilance, proactive savings measures, and potentially difficult decisions on service priorities to ensure long-term sustainability.

The Council's MTFS outlines the budget gap to 2028/29





Financial Sustainability considerations

Budget Monitoring

The Council sets a timetable for the annual budget process, including updates to the Corporate Leadership Team, sessions with Councillors, and consultations with stakeholders such as businesses and the voluntary sector. This process informs the Medium-Term Financial Strategy, which projects the next four years' finances based on prudent assumptions about inflation, funding uncertainties, and income levels, including Government support, and culminates in Cabinet and Council approval each February.

The Council's spending for the financial year 2024/25 was £26.66 million, which was £0.65 million higher than the revised budget in December 2024. The budget was revised during the year to recognise the savings achieved towards the salary efficiency target early in the year. At year end the Council was required to contribute £1.67 million from General Fund balance to balance its outturn position.

During the year, the Council has continued to look for opportunities to produce in-year savings. These savings have been reported as part of the quarterly monitoring process and where possible built into the Medium-Term Financial Strategy approved by the Council on 27 February 2025.

As of the first quarter of 2025/26, the Council forecasted a £0.66 million transfer to the General Fund Reserve as the Council received additional income from government grants and Council tax of £0.35 million and £0.16 million, respectively. In addition, significant savings of £0.15 million were delivered in Environment and Planning, Programme and Project Delivery and Operations and Commercial directorates.

Summary of the Council's 2024/25 Outturn

	Original Budget £m	Revised Budget £m	Outturn 2024/25 £m	(Underspend) /Overspend £m
Cost of Services	23.27	22.35	23.23	0.88
Financing Requirements	0.15	0.15	(0.09)	(0.24)
Internal Drainage Board	3.50	3.50	3.51	0.01
Borough Spend	26.93	26.00	26.66	0.65
Contributions to/(from) Reserves	(2.19)	(1.27)	(1.67)	(0.39)
Borough Requirement	24.73	24.73	24.98	0.25
Revenue Generated	24.73	24.73	24.98	0.25



Financial Sustainability considerations

Savings plans

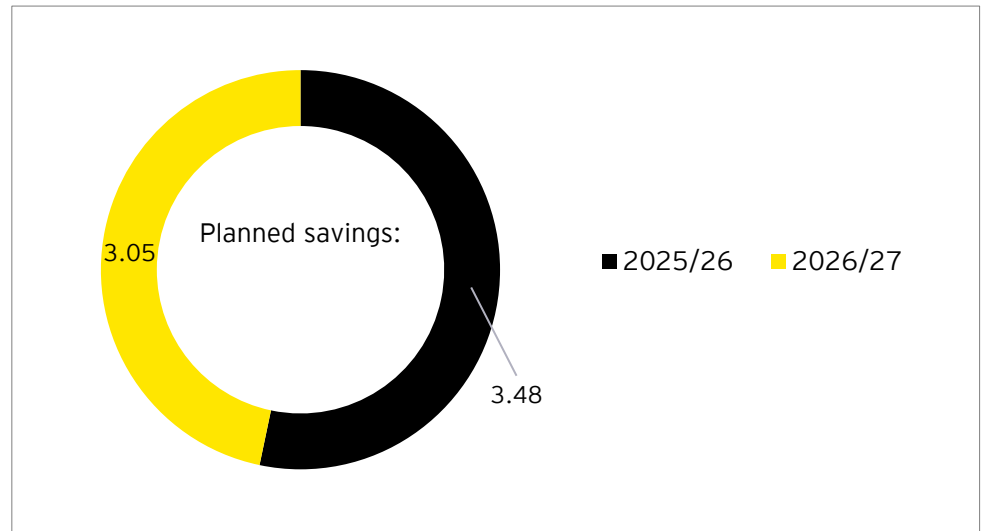
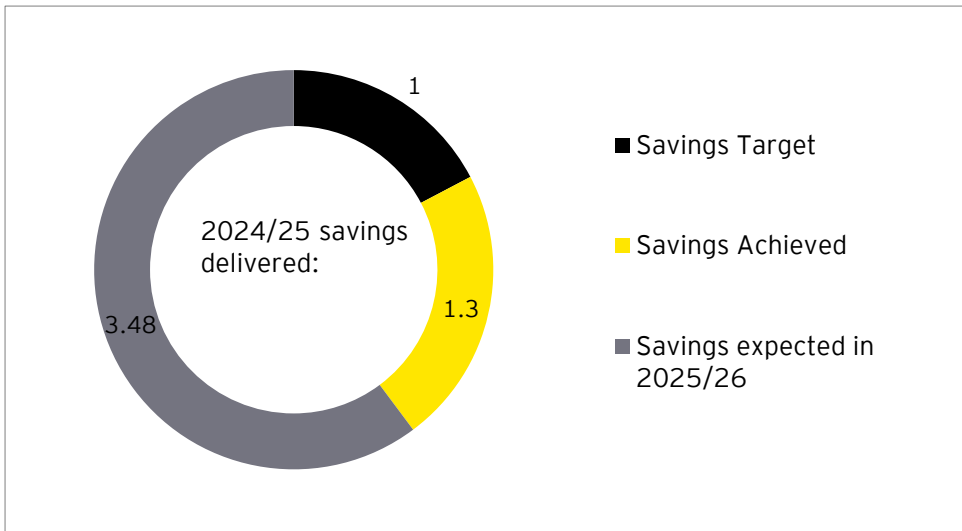
The Council has faced significant financial pressures due to inflation, rising costs, and uncertainty in local government funding. To address this, the Council has adopted a strategy of identifying and delivering savings both in-year and as part of its Medium-Term Financial Strategy (MTFS). Savings are achieved through - efficiency improvements, income generation, cost reductions and transformation projects.

The Council's savings plan focuses on achieving financial sustainability by reducing reliance on reserves and aligning expenditure with income. Key elements include targeted turnover savings from staff vacancies, operational efficiencies, and income generation. For 2024/25, the Council planned for £1.00 million of savings, achieving £1.30 million, exceeding the target. These savings were primarily realized through vacancy management and staff turnover, partially offset by costs for temporary staff, overtime, and recruitment. This result marks an improvement over the previous year, when the Council fell £0.03 million short of its savings target.

For 2025/26 and 2026/27, the Council has set planned savings and efficiency targets of £3.48 million and £3.05 million respectively, supported by a transformation program and ongoing service reviews. These savings are to be delivered through a combination of operational efficiencies, income generation, and service reviews, supporting a balanced budget and reducing reliance on reserves. Delivery of these savings will be closely monitored throughout the year to ensure targets are met and financial sustainability is maintained.

This proactive approach ensures the Council can maintain a balanced budget and respond effectively to future financial challenges.

84 The Council delivered £1.296 million of savings in 2024/25 and expect to deliver £6.53 million in 2025/26 and 2026/27.





Financial Sustainability considerations

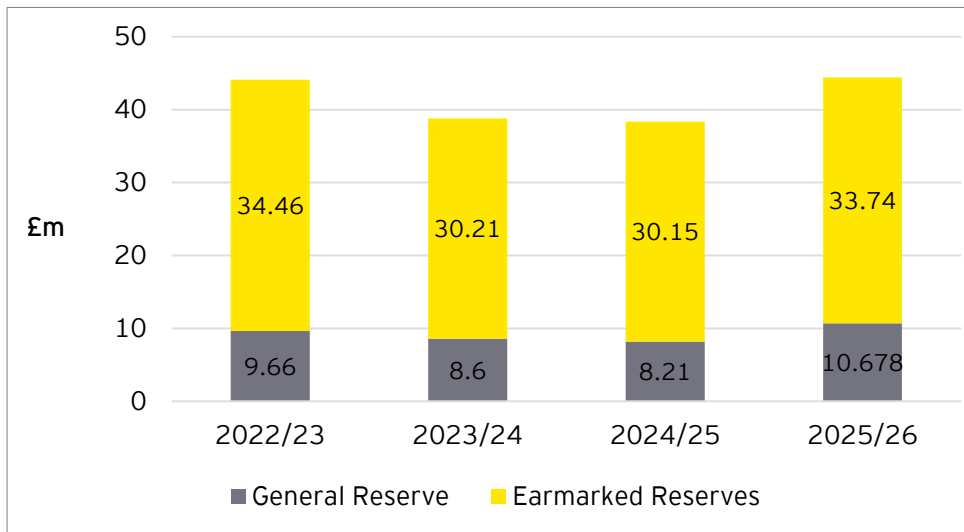
Reserves position

The medium-term financial strategy recognises that in previous years the Council has held its General Fund working balance higher than usual to provide for time to properly assess the impact of service reviews to offset the reductions in the formula grant. The financial strategy requires a drawdown from balances from 2026/27 onwards to 'balance the budget' of £8.24 million for years up to and including 2028/29.

The use of reserves and demands on them are regularly monitored by the Council. Any adjustments that could be made without raising a level of risk to the financial standing of the Council are reviewed and reported regularly. Moreover, the Council has presented savings plans in the medium-term financial strategy to mitigate the size of any budget gap. Cabinet reviewed the Earmarked Reserves balances in July 2025 as part of the 2024/25 outturn report.

The General Fund reserves opening balance for 2024/25 was £8.60 million, following movements in the financial year, the balance on the General Fund reserves increased to £8.74 million and Earmarked reserves were at £30.15 million. The Council approved and recommended that £0.53 million be transferred from the General Fund Reserve to Earmarked Reserves to fund work for future economic plans and to meet a statutory planning requirement of the Council. As a result of the transfers, the General Fund Reserves at 31 March 2025 was £8.21 million.

69 The Council's unallocated General Reserve decreased by £0.39 million in 2024/25





VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

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Significant risks identified during planning procedures

Within our Audit Planning Report, we identified as an area of focus the Council's ability to meet financial reporting duties for publishing draft Statement of Accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, as the 2023/24 draft statement of accounts was published after the statutory deadline. Following completion of our VFM planning procedures we have identified this as a risk of significant weakness in the Council's governance arrangements. In prior years, we identified a significant weakness relating to the Council's ability to meet financial reporting duties.



VFM commentary: Governance

Overview of our conclusions

Based on the work performed, we have identified a significant weakness in the arrangements that we have reported by exception in our audit opinion.

The Council has faced ongoing operational and resourcing difficulties over several years impacting the timeliness of accounts preparation and the audit of historic financial statements with the 2019/20 accounts being concluded in January 2024. This has had a significant knock-on impact for subsequent years financial statements. These delays have impacted on the ability of the Council to publish its 2024/25 Statement of accounts by the deadlines outlined in the Accounts and Audit Regulations 2015. They were published on 14 July 2025, deadline 30 June 2025. The main reasons for delay in publication was due to the Council not being assured that balances relating to Property, Plant and Equipment, Investment Properties and Pensions were materially correct, they therefore made the decision not to publish a set of accounts that were potentially materially misstated by the deadline.

Through the course of our audit of the 2024/25 financial statements we have identified a significant number of areas where we are not able to complete audit procedures due to working papers and supporting evidence not being provided in line with the agreed timetables and not meeting the expected quality requirements.

The findings above are evidence of weaknesses in proper arrangements for supporting its statutory reporting requirements, it's ability to support an audit, and effective processes and systems for accurate and timely management and financial information - Governance 'How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.'

We have made a number of recommendations relating to these findings:

Recommendation: The Council should continue to enhance its approach for supporting the audit process in the following areas:

Ensure sufficient capacity of skilled finance professionals with the necessary technical knowledge and experience to support the audit.

Improve Quality of Audit Working Papers

Continue to implement robust processes to produce high-quality financial statements supported by complete, accurate, and well-referenced working papers.

Ensure all responses to audit queries are timely, address the questions raised and include appropriate supporting evidence.

Enhance Responsiveness and Communication

Adhere to agreed turnaround times for audit queries (3 days) and sample evidence (5 days).

Establish clear escalation protocols for delays or unresolved issues.

Continue regular communication between audit leads and the Finance Team to monitor progress and resolve issues promptly.



Governance considerations

Annual Governance Statement

We reviewed the framework for the preparation of the Annual Governance Statement (AGS). The process, as designed, is adequate to enable the Council to report on the design and operation of arrangements that ensure sound governance, effective resource and risk management, and robust internal controls.

Risk Management

On 21 June 2022, the Risk Management Policy and Risk Management Strategy was reviewed and approved by the Cabinet. The policy and strategy are reviewed at least every three years.

On 7 July 2025, the Audit Committee recommended to adopt the revised format for the Council's Corporate Risk register. This was a result of a review undertaken to revise the Council's Corporate Risk Register and to identify areas to strengthen the Council's risk management framework. The review responds to the recent audit recommendations, sector guidance (Local Government Information Unit (LGIU) and Association of Local Risk Managers (ALARM)), and the implementation of and functionality of the new Pentana risk management system. The Corporate Risk Register is updated on a three-monthly cycle by the Senior Corporate Governance and Risk Officer in consultation with Assistant Directors and the executive team and includes any identified risks. The risk register is then reviewed and updated by each Assistant Director and reported to Corporate Leadership Team and Audit Committee.

^{NS} On 22 September 2025, the Audit Committee reviewed the Q1 2025/26 Corporate Risk Management Report using the updated risk register. In Q1, the Council identified two new risks pertaining to the H&S Compliance of Property Assets and Hunstanton sea defences. In addition, the Council divided the risk related to the Devolution and the Local Government Reorganisation into two separate risks to allow for both to be evaluated individually.



Governance considerations

Internal audit arrangements, including arrangements to prevent fraud

Internal Audit set out the Strategic Audit Plan for the next four years and the Annual Audit Plan for the forthcoming year at the 17 March 2025 Audit Committee. These are agreed with Corporate Leadership Team and followed by approval at Audit Committee each year. The Senior Internal Auditor presents regular updates on delivery of the audit plan and implementation of recommendations to the Corporate Leadership Team and Audit Committee during the year.

For 2024/25, the overall opinion in relation to the framework of governance, risk management and control within the Council was 'reasonable assurance'.

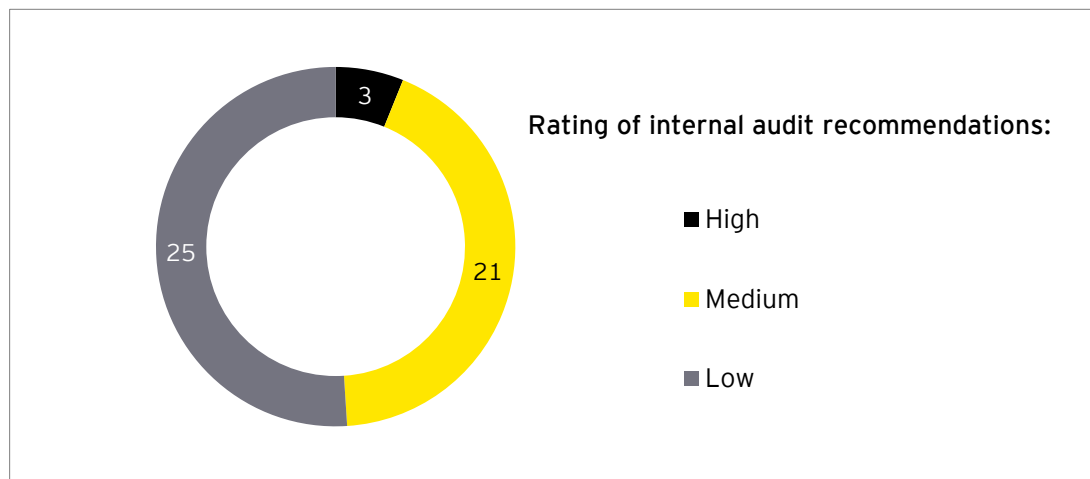
Of the original 24 audits, one was combined (key controls and income), five were deferred and one was a position statement. One 'limited assurance' assurance conclusion was given regarding Contract Management. The Council has taken appropriate steps to improve arrangements with further actions being taken through the Transformation Project.

Internal audit reported in its Annual Progress report in July 2025 that 49 recommendations raised remained outstanding comprising of 3 'high', 21 medium and 25 'low' recommendations. In their report, Internal Audit note that considerable effort was being made by the Council to implement the outstanding recommendations.

The Internal Audit function includes provision for a Fraud Officer who carries out various functions in relation to fraud and error prevention and detection including National Fraud Initiative exercises, debt tracing activities, and Norfolk Fraud Hub which carries out data matching across Norfolk authorities and shares best practice and emerging new threats/risks. A report on findings is presented to Audit Committee twice a year.

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures. The Council should review the existing fraud policy and procedures against the latest Home Office guidance. If this review has not yet taken place, it should be prioritised to ensure compliance with the Act and to mitigate the risk of enforcement action.

Internal audit's follow up of recommendations noted that around 49 are outstanding of 3 July 2025





Governance considerations

Reporting Arrangements

We reported a significant weakness in our Completion Report for years ended 31 March 2020, 31 March 2021, 31 March 2022, 31 March 2023, and 31 March 2024 as the Council was unable to publish its statement of accounts by the target dates required by the Accounts and Audit Regulations 2015.

The Council has faced ongoing operational and resourcing difficulties over several years impacting the timeliness of Statement of Accounts preparation and the audit of historic Statement of Accounts with the 2019/20 accounts being concluded in January 2024. This had a knock-on impact for subsequent years Statement of accounts.

The Council was unable to publish its 2023/24 statement of accounts by the target dates required by the Accounts and Audit Regulations 2015. The draft financial statements were published 31 October 2024; the statutory requirement is to publish financial statements by 31 May 2024.

For 2024/25, the Council was unable to published their unaudited Statement of Accounts by the statutory deadline of 30 June 2025. The did however correctly published a notice of delay explaining the reasons and expected publication date. The delay on the finalisation of the 2024/25 was due to incomplete valuations for property, plant and equipment and pensions at the time of statutory date. On 14 July 2025, the Council was able to published their accounts and a notice of inspection was posted.

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For the Local Government Reorganisation, the Council endorsed the three-unitary model for Norfolk's local government reorganisation, submitting its interim plan to the Minister in March 2025 and the final proposal in September 2025. The Council continues to progress in line with the reorganisation timeline and maintains effective working arrangements with neighbouring councils.



VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

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Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified. The Council's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



Improving economy, efficiency and effectiveness considerations

Financial and performance information

Budget Monitoring information is reported to the Corporate Leadership Team and Finance Portfolio holder and all Councillors at least quarterly and to Cabinet.

Performance data is reported to Corporate Leadership Team and Corporate Performance Panel on a quarterly basis. Feedback from all parties is provided and considered for prioritisation and action.

The Corporate Leadership Team have responsibility for taking action to meet performance expectations and be accountable for corrective action.

Procurement and contract management

The Council has 'Financial Regulations', 'Contract Standing Orders' and a 'Procurement Strategy' that follow relevant legislation and are updated regularly.

95 The Council has an in-house procurement team that maintains the Council's Contracts Register and support services in market testing and contract extensions to ensure compliance with legislation.

Key contracts are managed by the service and performance reported to Corporate Leadership Team, Portfolio Holder, and Cabinet. Additionally key performance indicators are in place and monitored by the Council's Corporate Performance Panel.

In 2024/25, Internal Audit provided an opinion of limited assurance regarding Contract Management. In the report, Internal Audit considered the number of recommendations that were still outstanding at the date of the opinion and commented that the Council has taken appropriate action to improve the arrangements, with further action being taken through the Transformation Project.



Improving economy, efficiency and effectiveness considerations

Partnership working

There are numerous partnership and joint working arrangements in which the Council is involved, Managers within services are responsible for managing contracts and Service Level Agreements.

The Council has a number of owned companies, the Council has positions on the company boards and reports back to Council via the Shareholder Committee and Corporate Leadership Team.

The Shareholder Committee is a Cabinet sub-committee responsible for exercising the Council's shareholder role in its wholly owned companies. It comprises three Cabinet Members, meets at least four times a year, and is supported by senior officers. Its key duties include approving business plans, monitoring company performance, overseeing shareholder agreements, and reviewing governance arrangements. Decisions outside the Council's policy or budget framework are referred to Full Council. All decisions are subject to scrutiny and annual review.

The Council consolidated four subsidiaries into its financial statements; the Council has positions on the company boards of these subsidiaries and reports back to Council via the Shareholder Committee and Corporate Leadership Team.

57 The four subsidiaries are as follows:

- **West Norfolk Housing Company Ltd (WNHC)** - The company was set up by the Council and incorporated on 12 September 2016. The company's principal activity is the provision of social housing for the Council.
- **West Norfolk Property Ltd (WNPL)** - The company was incorporated on 12 April 2018, and the Council holds 100% of the allotted ordinary shares of the company. The company's principal activity is for the management of private rental of residential properties.
- **Alive Management Ltd (AML)** - Alive Management Ltd (AML) was established to provide leisure services but ceased trading in 2022 and meets the criteria for strike-off. On 26 March 2025, the AML Board initiated the winding-up process, and on 15 April 2025, the Shareholders Committee approved the strike-off.
- **Alive West Norfolk Ltd (AWN)** - The company was established in 2018 as a Local Authority Controlled Company and has faced persistent financial and operational challenges. Despite aspirations set at its inception, AWN has required increasing Council subsidies, with costs rising due to factors like higher utility prices, the impact of COVID-19, and aging facilities. As of 1 April 2025, the operations of Alive West Norfolk was transferred back to the control of the Council.



Improving economy, efficiency and effectiveness considerations

Partnership working

At its meeting on 24 June 2024, the Audit Committee received position statements from the Internal Auditors regarding the Council's two subsidiaries, WNHC and WNPL. These statements were evaluated against the Local Partnership's Local Authority Company Review Guidance, and the Internal Auditors identified a series of actions required to strengthen governance and operational effectiveness within both companies.

At the 7 July 2025 Audit Committee meeting Internal Audit reported that progress against these actions remained incomplete, with two recommendations partially implemented and three not implemented. Recognizing the critical importance of these actions for compliance, purpose fulfilment, and effective oversight, the Shareholder's Committee convened on 11 September 2025 to review progress.

At the 17 November 2025 Audit Committee, it was reported that the subsidiaries had now made good progress against the actions, although some recommendations remained outstanding. The Committee noted improvements in governance arrangements and confirmed that the Council continues to implement measures aimed at enhancing governance within the subsidiaries.

The Council has numerous projects with partners including St George Guildhall & Creative Hub and The Southend Road Housing Development (Hunstanton Flats).

58 The St George's Guildhall and Creative Hub is one of several projects approved by the King's Lynn Town Board under the Towns Fund Programme to support economic growth in the area which was approved by Cabinet in August 2021. The project has progressed through key development stages and following Cabinet's decision in July 2024 to advance the full RIBA Stage 4 Major Scheme, the project has now reached construction readiness, positioning the Council to begin delivery.

The total project cost is estimated at £30.5 million, reflecting the fully developed RIBA Stage 4 design. The Council expects £14.5 million of contributions from the Town Deal, the Council, Norfolk & Norwich Festival, and the Shared Prosperity Fund and other funding streams. The remaining £16.0 million is proposed to be financed through Council borrowing, consistent with the Capital Strategy and Treasury Management Strategy. The project is financed through internal and additional external borrowing with indicative repayment modelling and interest rate scenarios included within the project's financial strategy.

The Council acknowledges that borrowing introduces a managed financial risk; however, this is offset by the long-term economic and cultural benefits of the Major Scheme. Once operational under the Charitable Incorporated Organisation (CIO), the site is expected to generate surpluses and attract ongoing fundraising, including major grant applications. Any additional external funding or philanthropic contributions secured during delivery will be used to reduce the Council's borrowing requirement and long-term financing costs.

These financing arrangements have been incorporated into the Council's 2025-2030 Medium Term Financial Strategy, currently in development for the FY27 budget cycle. The capital programme has also been updated to ensure all project costs are fully reflected in the Council's forward financial position ahead of local government reorganisation.



Improving economy, efficiency and effectiveness considerations

Partnership working

The Southend Road Housing Development, commonly referred to as the Hunstanton Flats, is a Council-led scheme to deliver 32 residential units with a total project value of £7 million. The development comprises a mix of one, two and three-bedroom properties, with 20% designated as affordable housing. The scheme was designed to broaden local housing options, supporting first-time buyers, downsizers, and small families and to help meet demand in a market significantly influenced by tourism and second-home ownership.

Planning permission was granted in April 2021, and construction commenced in May 2022. Although the development has progressed as planned, the Council faced challenges during the marketing phase as no units had been sold after 18 months largely due to restrictions which required flats to be occupied as main residences only, preventing their purchase as second homes or holiday lets. Councillors reported that these restrictions deterred mortgage lenders, who viewed the resale constraints as reducing marketability.

In May 2025, the Council voted to remove the occupancy restrictions, thereby opening the properties to second-home and holiday-let purchasers with a new agent being appointed, and the units are now being actively remarketed.

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Borough Council of King's Lynn & West Norfolk

Provisional Audit planning report

Year ended 31 March 2026

30 April 2026

Agenda Item 11



Shape the future
with confidence



The better the question. The better the answer. The better the world works.



Audit Committee
Borough Council of King's Lynn & West Norfolk
Kings Court, Chapel Street
King's Lynn
Norfolk
PE30 1EX

30 April 2026

Dear Audit Committee Members

Provisional Audit planning report 2025/26

We are pleased to attach our provisional audit planning report for the forthcoming meeting of the Audit Committee. The purpose of this report is to provide the Committee with a basis to review our proposed audit approach and scope for the 2025/26 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements.

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

We welcome the opportunity to discuss this report with you on 15 June 2026 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar

For and on behalf of Ernst & Young LLP

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Contents

- 1 Overview of our 2025/26 audit strategy
- 2 Audit risks
- 3 Value for money
- 4 Audit materiality
- 5 Scope of the audit
- 6 Audit team
- 7 Audit timeline
- 8 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment and further guidance (updated October 2025)' issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/contract-monitoring-2023-24-to-2027-28/terms-of-appointment-from-2023-24/terms-of-appointment-and-further-guidance-from-1-october-2025/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



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Overview of our 2025/26 audit strategy

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2025/26 audit strategy overview: Rebuilding Assurance

The purpose of this report

As the Council's body charged with governance, the Audit Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support a timely and efficient audit. Failure to achieve this will significantly increase the level of resources required to fulfil our respective responsibilities.

As part of our responsibilities, we assess and report on the adequacy of the Council's external financial reporting arrangements, as well as the effectiveness of the Audit Committee in fulfilling its role within those arrangements as part of our Value for Money assessment. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Wherever necessary, we will consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements. We direct Audit Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

Our shared strategy to rebuild assurance

We are now in Phase 2 of the implementation of the Ministry for Housing, Communities and Local Government's (MHCLG) measures to address the backlog facing local government audit. Throughout 2023/24 and 2024/25, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements. Our approach recognises that recovery depends heavily on the Council's own capacity and preparedness and that audit effort must be targeted where it can deliver meaningful assurance.

Management has overall responsibility for leading and sustaining the Council's recovery from a disclaimed audit opinion. This includes ensuring that the financial statements are prepared in accordance with proper practices and supported by complete, accurate and timely audit evidence.

To deliver this, it is essential that management:

- Strengthen the underlying control environment, particularly in areas linked to prior year disclaimers.
- Provide high quality working papers and ensure that all audit evidence is complete, consistent and readily accessible.
- Allocate sufficient, knowledgeable resources throughout the audit cycle.
- Actively engage with auditors, promptly addressing findings and resolving weaknesses in financial reporting arrangements.
- Communicate transparently with the Audit Committee, as Those Charged with Governance, ensuring that Committee members have clear visibility of risks, progress and emerging issues.

In line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance (LARRIGs) - and specifically the guidance on rebuilding assurance following a disclaimed opinion - management must support the restoration of reliable opening balances and enable a phased progression from disclaimed to qualified and ultimately unmodified audit opinions. Achieving this requires sustained delivery of the "natural rebuild," through the completion of all planned audit procedures across successive annual cycles, alongside targeted work to rebuild assurance over historical balances, including both usable and unusable reserves, where cumulative gaps in evidence present the most significant challenges.

2025/26 audit strategy overview: Rebuilding Assurance

Our shared strategy to rebuild assurance continued

Appendix A explains the expected timeline to full assurance set out within the NAO's LARRIG 01 guidance, along with our assessment of the Council's status. During 2024/25, the focus of the rebuild process has been on this "natural" rebuild, to complete all planned audit procedures for each respective audit year. As we set out in Appendix A, and in our Audit Results Report dated 6 February 2026, we were not able to complete all planned audit procedures for the following reasons:

- 2023/24: we issued a disclaimer of opinion on the Council's 2023/24 financial statements under the agreements to reset and recover local government audit. We also issued a disclaimer of opinion on the 2020/21, 2021/22 and 2022/23 financial statements.
- 2024/25: Due to the disclaimers of opinion on the financial statements in the prior years and delays in receiving associated audit evidence to support the 2024/25 financial statements, we were unable to complete all detailed audit procedures in advance of the backstop date, we were therefore not able to complete our planned programme of work to obtain sufficient evidence to have reasonable assurance over all in-year transactions and closing balances for the year ended 31 March 2025.

As part of our interim audit procedures for 2025/26, we will undertake a detailed risk assessment to evaluate the risk of material misstatement in the opening reserves balances at 1 April 2025, and to assess management's readiness to support the historic rebuild process over transactions and balances in 2020/21 to 2023/24 that were not subject to audit. This work is expected to be completed by 30 June 2026 and is essential to determining whether the pre-2024/25 gaps in assurance - particularly those relating to reserves and other cumulative balances - can be sufficiently addressed to support future progression towards qualified or unmodified audit opinions.

We will discuss the outcome of our risk assessment over the opening reserves balances with management to confirm our planned approach for 2025/26. However, because we were unable to complete all planned audit procedures for 2024/25 for the reasons outlined above, it is unlikely that we will commence any rebuilding of assurance over the historic position during the 2025/26 audit cycle. In line with our established prioritisation principles, we will focus our audit resources on rebuilding assurance for those bodies where planned audit procedures were completed in 2023/24 and 2024/25, in order to support the sector wide objective of returning to unmodified audit opinions as quickly and sustainably as possible.

It is therefore critical that management ensure they can provide high quality working papers, robust audit evidence, and resolve the underlying issues identified in prior years as part of the 2025/26 audit cycle. This will be essential to avoid any further delay in the eventual process for rebuilding assurance over the Council's historic position.

2025/26 audit strategy overview: Rebuilding Assurance

Preparedness for audit

Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Our 2024/25 reporting included our assessment of the effectiveness of the Council's arrangements to support the external audit process across a range of relevant measures (reproduced in Appendix A). We concluded that the Council was not fully prepared for the audit and that improvements were required in relation to:

- The provision of working papers in line with the agreed Client Assistance Schedule and timetable. Approximately 40% of working papers in 2024/25 were not provided to the agreed timetable.
- We identified a number of issues with working papers which required us to raise additional requests to officers for clarification and additional supporting documentation. We also experienced delays in the provision of additional supporting evidence from the Council and in a number of areas the quality of evidence provided to support accounting balances and transactions was either not readily available or was not to the quality required to allow us to conclude on our work first time, resulting in a significant number of requests for clarification and further evidence.
- Overall, we did not encounter significant issues with the availability of key personnel to support the execution phase of the audit, but the capacity of the finance team did mean that we encountered delays to the audit process.
- We did encounter some issues accessing and receiving responses/supporting evidence from officers outside of the finance team which again resulted in delays to the audit process.

We will continue to report on our assessment of the quality of the Council's financial statements' preparation and support, to support ongoing transparency of the audit process to those charged with governance, and to facilitate benchmarking and tracking of progress in future years.

Scope of our audit

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Council. Additionally, we aim to ensure that the Council has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an Audit Results Report that summarises our opinion on the financial statements in December 2026 and other procedures required by the Code. This includes our assessment of the control environment, including our follow up of the recommendations that we made in 2024/25 (refer to Appendix C and D).

In addition, our Auditor's Annual Report will conclude on whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Timeline

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

Our independence considerations

Please refer to Appendix B for our update on independence.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus

The purpose of our audit is to obtain reasonable assurance to express an opinion about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error. There is one significant change to the scoping for the audit of the 2025/26 financial statements, relating to the implementation of CIPFA's Bulletin 22 in relation to the valuation of Property, Plant and Equipment.

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

Risk/area of focus	Risk identified	Change from PY	Details
Council and Group financial statements: Presumptive risk of management override of controls	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Council financial statements: Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have considered the key areas where management has the material opportunity and incentive to override controls in the Council's financial statements. We have identified the main areas as being; inappropriate classification of revenue spend as capital expenditure and where material manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement.
Group financial statements: Revenue recognition	Significant risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have considered the key areas where management has the material opportunity and incentive to override controls in the Group subsidiary accounts. We have identified the main area of risk being in income balances consolidated from the group's corporate subsidiaries.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from PY	Details
Council financial statements: Capital accounting entries	Significant risk	No change in risk or focus	<p>In 2024/25, we could not complete our planned audit procedures over capital accounting entries as our work identified several unresolved material audit queries relating to the agreement of capital balances in the draft financial statements to the Council's general ledger and fixed asset register.</p> <p>There therefore continues to be an increased risk of material misstatement within capital accounting entries in 2025/26.</p>
Council and Group financial statements: Valuation of Investment Properties	Significant risk	No change in risk or focus	<p>Investment Property represents a significant balance in the Council and Group financial statements (2024/25: £63.6 million). Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is a significant level of judgement around assumptions within valuations, especially where these assumptions rely on market data or income-based measures, given difficulties in estimating future income.</p> <p>In 2024/25, we were unable to complete all audit procedures over industrial property assets (2024/25: £29.4 million) which we identified were potential valued twice and therefore could have overstated the Investment Property balance.</p> <p>There therefore remains a heightened risk of material misstatement within Investment Property valuations in 2025/26.</p>
Council financial statements: Valuation of Land and Buildings	Inherent risk	Change in risk focus	<p>The valuation of land and buildings represents significant balance in the Council's financial statements (2024/25: £148.3 million). These balances are subject to valuation changes, impairment reviews, and depreciation charges. In calculating amounts recorded in the balance sheet, Management are required to make material judgements and apply estimation techniques. We consider that the judgments and estimates made by management are likely to have a material impact on the valuation of these assets.</p> <p>In addition, the 2025/26 financial statements the Council will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years.</p> <p>Successful implementation will depend on the Council ensuring that their existing valuation programme is adapted in line with the guidance and that appropriate indices are selected to be applied in intervening years.</p>

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2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus continued

Risk/area of focus	Risk identified	Change from PY	Details
Council financial statements: Pension Valuation	Inherent risk	No change in risk or focus	<p>The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet.</p> <p>Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>
Council financial statements: Application of IFRS 16 Leases	Inherent risk	No change in risk or focus	<p>IFRS 16 Leases applies to local government for periods beginning on or after 1 April 2024 and has been adopted and adapted through the 2024/25 CIPFA Code of Practice, which sets the financial reporting framework for the Council's 2024/25 financial statements.</p> <p>We were unable to complete our audit procedures in respect of IFRS 16 Leases in 2024/25 and therefore, there remains a risk of misstatement in 2025/26 as the improper implementation of IFRS 16, including the valuation and accounting treatment of leases, could lead to a misstatements in the financial statements.</p>
Group financial statements: Group Accounts	Inherent risk	No change in risk or focus	<p>The Council in 2025/26 has two subsidiaries which will be consolidated into the group financial statements.</p> <p>We were unable to complete our audit procedures in respect the group financial statements in 2024/25 and therefore, there remains a risk of misstatement in 2025/26 as there is a risk that the consolidation is not undertaken in line with the relevant accounting standards and in line with the CIPFA code of practice.</p> <p>The group subsidiaries have material Investment Property assets accounted for under IAS 40 which are reclassified within the Group financial statements as Property, Plant & Equipment, accounted for under IAS 16. Given the differences in accounting treatment under the different accounting standards there is a risk that these balances maybe incorrectly accounted for in the Group financial statements.</p>
Council and Group financial statements: Transfer of Alive West Norfolk services into the Council	Inherent risk	New risk for 2025/26	<p>With effect from 1 April 2025, the Council transferred the control and management of Alive West Norfolk back to the Council, resulting in the direct management of activities previously undertaken through the subsidiary.</p> <p>There is a risk that the transfer of control and management of Alive West Norfolk back to the Council is not accounted for appropriately, resulting in misstatement within the Council and Group financial statements.</p>

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2025/26 audit strategy overview: Audit risks and materiality

Group Materiality



Group Materiality has been set at £2.3 million, which represents 2% of total expenditure in 2024/25.



Group Performance materiality has been set at £1.14 million, which represents 50% of materiality.



We will report all uncorrected misstatements relating to the primary statements over £0.11 million. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit Committee.

Council Materiality



Council Materiality has been set at £2.3 million, which represents 2% of total expenditure in 2024/25.



Council Performance materiality has been set at £1.14 million, which represents 50% of materiality.



We will report all uncorrected misstatements relating to the primary statements over £0.11 million. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit Committee.

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

2025/26 audit strategy overview: Value for Money

Our risk assessment

Under the NAO Code we are required to:

- Satisfy ourselves that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources, having regard to [NAO AGN 03](#).
- Design work to provide sufficient assurance to support reporting against the Code's specified reporting criteria outlined below; and
- Apply a risk-based approach to our work, informed by sector knowledge, the annual governance statement, evidence from the financial statements audit and relevant work of other bodies.

In undertaking our risk assessment, we obtain an understanding of the key processes the Council has in place, including financial management, risk management and partnership working arrangements. Our Auditor's Annual Report, which will be issued before 30 November 2026 will include a summary of our commentary on the arrangements in place against each of the three value for money criteria and recommendations raised as a result of any significant weaknesses identified. A key part of our work will be the follow up of previous recommendations to provide the Committee with assurance on the pace of planned improvements.

Our work in this area is underway, where any significant weaknesses are identified, we are required to report these to the Council and to the Audit Committee at the earliest opportunity in the audit cycle.

The table on the next page sets out our initial 2025/26 risk assessment by VFM category and against our 2024/25 findings. In 2024/25 we identified a number recommendations these are detailed in Appendix D.

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2025/26 audit strategy overview: Value for Money

Our risk assessment



Financial sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance

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



Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

73 Risks of significant weaknesses in arrangements identified in 2025/26:

No risks identified.

One risk of weakness identified:

The Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, and the Council's capability and capacity to support an audit of the financial statements.

No risks identified.

Significant weaknesses identified in 2024/25:

No significant weaknesses identified.

One significant weakness identified which was report as an 'other matter' and reported by exception within our 2024/25 audit report relating to ongoing operational and resource challenges, along with past audit delays and late financial statement preparation from 2018/19 to 2023/24, have affected the timeliness and quality of the Council's accounts.

No significant weaknesses identified.



02 Audit risks

Our response to significant risks

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

Council and Group financial statements: Presumptive risk of management override of controls*

What is the risk, and the key judgements and estimates?

In accordance with ISA 240, the presumptive risk of management override of controls is present at every entity and we design the appropriate procedures to consider such risk.

- Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.
- Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud.

Our response: Key areas of challenge and professional judgement

In order to address the risks outlined we will carry out a range of procedures including:

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

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

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Our response to significant risks

Council financial statements: Inappropriate capitalisation of revenue expenditure*

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
<p data-bbox="91 821 129 863">76</p> <p>We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:</p> <ul style="list-style-type: none"> ▪ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger. ▪ Expenditure being classified as revenue expenditure financed as capital under statute (REFCUS) when it is inappropriate to do so. ▪ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year. <p>If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE)/Investment Property (IP) additions and/or REFCUS in the financial statements.</p>	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.</p>	<p>In order to address the risks outlined we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▪ Testing Property, Plant and Equipment (PPE)/Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature. ▪ Assessing whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred. ▪ Considering whether any development or other related costs that have been capitalised are reasonable to capitalize, i.e., the costs incurred are directly attributable to bringing the asset into operational use. ▪ Testing REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources. Based on our work at the planning stage of the audit we do not expect there to be material REFCUS in the year. ▪ Seeking to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Our response to significant risks

Group financial statements: Revenue Recognition*

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
<p>Revenue is recognised based on the costs incurred to date and the estimated costs required to complete individual projects.</p> <p>This estimation process significantly impacts the accuracy of revenue recognised in subsequent periods.</p> <p>77 Additionally, the timing and recognition of revenue can be manipulated through improper journal entries that misstate costs, potentially leading to revenue being recognised in the incorrect period or in amounts that do not accurately reflect the underlying performance obligations.</p>	<p>Revenue recognition under IFRS 15, Revenue from contracts with customers, is complex and is determined based on contractual terms applicable to each service.</p> <p>The group's corporate subsidiaries total revenue recognised at 31 March 2025 was £1.5 million.</p> <p>The application of the five-step model outlined in IFRS 15 requires significant judgement in assessing the timing of completing of performance obligations and associated revenue recognition. Consequently, there is a risk that revenue recognition from these contracts may be inaccurately recorded, potentially impacting financial reporting.</p>	<p>In order to address the risks outlined we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▪ Obtain assurance from the subsidiary auditors over the recognition of revenue balances consolidated into the group accounts through their reporting to us and our detailed review of their audit files. The subsidiary auditors will: <ul style="list-style-type: none"> ▪ Obtain an understanding of revenue streams and the controls in place within financial systems relating to revenue. ▪ Undertake walkthrough testing to confirm our understanding of revenue streams. ▪ Undertake substantive analytical review procedures to test the reasonableness of the movements in revenue.; • Perform substantive testing of revenue transactions. This includes <ul style="list-style-type: none"> ○ selecting a sample of contracts and tracing revenue recognised to supporting documentation, such as invoices and delivery confirmations, ○ testing the accuracy of estimates related to costs incurred and the completion of performance obligations, and ○ reviewing journal entries related to revenue recognition for unusual or inappropriate entries.

Our response to significant risks

Council financial statements: Capital Accounting Entries

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
<p>Capital transactions represent a number of significant and material balances in the financial statements impacting the Balance Sheet, Comprehensive Income and Expenditure statement, reserve balances and disclosure notes.</p> <p>The accounting treatment for capital transactions can be complex and therefore if underlying accounting information is not input correctly into the fixed asset register these maybe incorrectly accounted for in the financial statements.</p>	<p>Capital transactions in the financial statements are material and in 2024/25, we could not complete our planned audit procedures as our work identified several unresolved material audit queries relating to the agreement of capital balances in the draft financial statements to the Council's general ledger and fixed asset register, these included:</p> <ul style="list-style-type: none"> • £0.8 million unreconciled difference between the total in the fixed asset register and the Council's general ledger. • £11.0 million classification difference between the categories of assets in the financial statements and the Council's fixed asset register. • The financial statement showed a £3.6 million of impairment within Assets Under Construction. <p>Therefore, we have identified a continued increased risk of material misstatement within capital accounting entries in 2025/26.</p>	<p>In order to address the risks outlined we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> • Test the consistency between the fixed asset register, draft 2025/26 financial statements, and trial balance; • Perform detailed testing of the in-year movements within the 2025/26 fixed asset register, this will include testing the accuracy of calculations and formula used in the fixed asset register; and • Test that the movements have been correctly classified and accounted for in the financial statements in line with the requirements of the CIPFA Code of Practice.

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Our response to significant risks

Council and Group financial statements: Valuation of Investment Property

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Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
<p>Investment Property represents a significant balance in Council and Group financial statements (2024/25: £63.6 million).</p>	<p>The valuation of investment properties represent significant balances in the financial statements and are subject to valuation changes and impairment reviews.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.</p> <p>In 2024/25, we were unable to complete all audit procedures over industrial property assets (2024/25: £29.4 million) which we identified were potential valued twice and therefore could have overstated the Investment Property balance.</p> <p>There therefore remains a heightened risk of material misstatement within Investment Property valuations in 2025/26.</p>	<p>In order to address the risks outlined we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> Consider the work performed by the Groups valuer over the Council and the Groups investment properties, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work. Engage our own EY valuers, to review a sample of investment properties and test the assumptions and methodologies employed by Groups valuer. Perform testing of key assumptions and methodologies on a further sample of investment properties and consider the reasonableness of the estimation techniques employed. Sample test key asset information used by the Group’s valuer in performing their valuation, agreeing this to what has been recorded in the fixed asset register and general ledger. Consider if there are any specific changes to assets that have occurred and that these have been communicated to the Group valuer. Test that accounting entries have been correctly processed in the financial statements. Review Financial Statement disclosures to ensure that adequate disclosures have been made in relation to estimation uncertainty. Obtain assurance from the subsidiary auditors over the valuation of Investment Properties consolidated into the group accounts through their reporting to us and our detailed review of their audit files.

Other areas of audit focus

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

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Valuation of Land and Buildings		
<p>The valuation of Land and Buildings and Council dwellings represent significant balance in the Council's financial statements:</p> <ul style="list-style-type: none"> ▪ Property, plant and equipment: £224.4 million (2024/25) ▪ Relating to Land and Buildings: £148.3 million (2024/25) 	<p>The valuation of Land and Buildings are subject to valuation changes, impairment reviews, and depreciation charges. In calculating amounts recorded in the balances sheet, Management are required to make material judgements and apply estimation techniques. We consider that the judgments and estimates made by Management are likely to have a material impact on the valuation of these assets.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.</p> <p>In the 2025/26 financial statements the Council will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years.</p>	<p>In response to the risk, we will:</p> <ul style="list-style-type: none"> ▪ Review and assess management's assessment and planned approach to CIPFA Bulletin 22, in the context of other challenges in the application. In particular considering the appropriateness of indices applied to assets not revalued during intervening years and triggers for revaluation; ▪ Review and appraise the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; ▪ Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support price per square metre); ▪ Involve EY internal specialists to challenge the work performed by the Council's valuers, focusing on more material assets which have been subject to audit differences in the past; ▪ Assess any changes to useful economic lives against the most recent valuer assessments; ▪ Test accounting entries have been correctly processed in the financial statements; ▪ Sample test transfers from assets under construction and confirm for a sample that remain within assets under construction that development is still in progress; ▪ Review and assess management's impairment assessment of ongoing and completed capital projects to ensure assets are held at an appropriate value.

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Other areas of audit focus

Financial statement impact

What is the risk, and the key judgements and estimates?

Our response: Key areas of challenge and professional judgement

Valuation of Pension Assets and Liabilities

The Council's net pension liability is measured as the sum of the long-term payments due to members as they retire against the Council's share of the Norfolk Pension Fund investments. At 31 March 2025 the Council's net liability totalled £1.6 million.

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council.

The Council's Pension Fund deficit is an estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 and IFRIC 14 report issued to the Council by the actuary to the Council.

Accounting for this scheme involves significant estimation and judgement and therefore Management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of Management experts and the assumptions underlying fair value estimates.

In addition, the 2025/26 pension values will reflect the March 2025 triennial actuarial valuation of the pension scheme. As part of the audit, additional procedures will be undertaken in relation to the data provided to the actuary, including obtaining assurance from Norfolk Pension Fund auditors over the completeness and accuracy of membership data and controls operated by the administering authority.

In response to the risk, we will:

- Liaise with the auditor of Norfolk Pension Fund to obtain assurances over the information supplied to the actuary and confirm joint assurances in respect of employer and employee contributions. This will include assurance over the completeness and accuracy of membership data used as part of the March 2025 triennial actuarial valuation of the pension scheme.
- Engage our actuarial specialists to assess the work of the actuary. This will involve a consideration of the net asset/liability and any calculation of the asset ceiling in accordance with IFRIC 14 where relevant.
- Assessing the work of PwC, appointed to consider actuarial assumptions used at the year end for all local government sector bodies.
- Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.
- Consider the valuation and disclosure of unfunded liabilities, for which there are no plan assets to meet the pension liabilities.

As part of our audit procedures, we will request that the Group and Council obtain an asset ceiling report from its actuaries. Our actuarial specialists will review the asset ceiling report to satisfy themselves that it is materially correct. Following review, we will also ensure that pension assets and liabilities are appropriately recorded within the Group financial statements.

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Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
<p>Council financial statements: Application of IFRS 16 Leases</p>		
<p>IFRS 16 Leases introduced a number of significant changes in 2024/25. These changes have the potential to impact on the procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet.</p>	<p>IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council and Group's financial statements.</p> <p>IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.</p> <p>In 2024/25, we were unable to complete our planned procedures and identified that:</p> <ul style="list-style-type: none"> • Several working papers and supporting calculations were incomplete. • The Council had not included its finance leases (as lessee) in the IFRS 16 workings and financial statement disclosures, • Postings to reflect right of use assets in the Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP) had not been made. <p>Therefore, there remains a heightened risk of misstatement in 2025/26 as the improper implementation of IFRS 16, including the valuation and accounting treatment of leases, could lead to a misstatements in the financial statements.</p>	<p>In response to the risk, we will:</p> <ul style="list-style-type: none"> ▪ Reconfirm our understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16 and accounting treatment of leases. ▪ Re-review Management policies, including whether to use a portfolio approach, low value threshold, and asset classes where Management is adopting as the practical expedient to non-lease components. ▪ Sample test leases to gain assurance over the right of use asset and lease liabilities recorded in the financial statements. ▪ Consider the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

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Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Group financial statements: Group Accounts		
<p>The Local Authority Accounting Code of Practice requires the Council to prepare group accounts and supporting disclosures within its financial statements when the group operations become material to the Council.</p> <p>The Council will need to undertake its annual assessment of the group boundary to determine the procedures its needs to consolidate the relevant component entities.</p>	<p>In 2025/26, the Council has two subsidiaries which will be consolidated into the group financial statements.</p> <p>We were unable to complete our audit procedures in respect of the group financial statements in 2024/25 and therefore, there remains a risk of misstatement in 2025/26 as there is a risk that the consolidation of any subsidiaries within the Group Boundary is not undertaken in line with the Cipfa Code of Practice.</p> <p>The group subsidiaries have material Investment Property assets (2024/25: £2.9 million) held in the subsidiaries balance sheet under accounting standard IAS 40.</p> <p>These inventories are reclassified within the Group financial statements as a Non-current Asset within Property, Plant & Equipment under accounting standard IAS 16.</p> <p>Given the differences in accounting treatment under the different accounting standards there is a risk that these balances maybe incorrectly accounted for in the Group financial statements.</p>	<p>In response to the risk, we will:</p> <ul style="list-style-type: none"> ▪ Review the Council’s assessment of its group boundary and the significance of the components in the group financial statements. ▪ Prepare group instructions for the component auditors of the Council’s subsidiaries. ▪ Review the work undertaken by component auditors and determine whether we can place reliance on their work to obtain assurance over the balances consolidated into the group accounts. ▪ Ensure that appropriate consolidation procedures are applied in line with the Code of Practice when consolidating subsidiaries into the Council’s group financial statements. <ul style="list-style-type: none"> • Understand the process for consolidation; • Understand transactions between group subsidiaries and test that the appropriate accounting entries have been made to eliminate inter-group transactions; • Understand and test the differences in accounting policies, ensuring that the appropriate adjustments are made on consolidation to align accounting policies set for the group; and • Review the disclosures in the group financial statements to ensure that they are materially accurate and complete. ▪ Request Management to prepare an assessment as to the accounting treatment of subsidiary investment Property assets considering the nature of these balances and their subsequent treatment in the Group financial statements. ▪ Test Managements assessment to confirm the appropriate accounting treatment in the Group financial statements.

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Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Council and Group financial statements: Transfer of Alive West Norfolk services into the Council		
<p>The services undertaken by Alive West Norfolk have been brought back into the Council. The Council and Group balance sheet will be impacted by the transfer of assets and liabilities.</p>	<p>With effect from 1 April 2025, the Council transferred the control and management of Alive West Norfolk back to the Council, resulting in the direct management of activities previously undertaken through the subsidiary.</p> <p>The assets and liabilities relating to the service delivery within Alive West Norfolk transferred into the Council's own Balance Sheet on the 1 April 2025 and should be measured in accordance with the CIPFA Code of practice.</p> <p>There is a risk that the transfer of control and management of Alive West Norfolk back to the Council is not accounted for appropriately, resulting in misstatement of the Council and Group financial statements. This includes the risk that the date of transfer, the cessation of consolidation, and the recognition and measurement of assets and liabilities arising from the transfer are not determined and applied in accordance with the CIPFA Code of Practice.</p>	<p>In response to the risk, we will:</p> <ul style="list-style-type: none"> Obtain and review formal Council approvals, governance papers, and supporting documentation relating to the transfer of control and management of Alive West Norfolk to the Council. Evaluating whether the accounting treatment applied is consistent with the Code. Test the derecognition of Alive West Norfolk's assets, liabilities, reserves and cash balances from the Group Balance Sheet as at the date of transfer. Perform opening balance testing over assets and liabilities recognised directly within the Council's Balance Sheet, agreeing balances to underlying records and, where applicable, to prior audited figures. Confirm that inter-company balances and transactions have been appropriately eliminated up to the date of transfer, with no further eliminations required thereafter.

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03 Value for money

Value for money

Council's responsibilities for value for money

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

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

Auditor responsibilities

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

The specified reporting criteria are:

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Financial sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance

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



Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

Planning and identifying risks of significant weakness in value for money arrangements

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

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

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

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

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

Reporting on value for money arrangements

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

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the Council's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the Council's attention. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2025/26 Auditor's Annual Report must be issued in draft by 30 November 2026 to comply with the revised requirements of the NAO Code.

Value for money

Value for money risk assessment

We have completed our initial value for money planning, where we have considered:

- Our entity level controls and understanding the business assessment
- The Council's Risk Register/the Annual Governance Statement
- Council meeting minutes and/or our planning meetings with management
- Key financial and budget information
- Key performance reports/internal audit reports
- Findings of other inspectorates, review agencies and other relevant bodies.

As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing value for money that we needed to perform further procedures on. The risks we have identified are detailed on the table below along with the further procedures we will perform. We will continue to review the body's arrangements and report any additional identified risks of significant weaknesses in arrangements.

Criteria	2024/25 judgements on arrangements	2025/26 risk assessment	2025/26 expected procedures to respond risks of weakness identified
Financial sustainability	No significant weaknesses identified. The Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.	No risks of significant weakness identified in 2025/26 from initial planning procedures.	No risks identified.
Governance	One significant weakness identified which was reported as an 'other matter' and reported by exception within our 2024/25 audit report relating to ongoing operational and resource challenges, along with past audit delays and late financial statement preparation from 2018/19 to 2023/24, which affected the timeliness and quality of the Council's 2024/25 financial statements.	One risk of weakness identified: The Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, and the Council's capability and capacity to support an audit of the financial statements.	<ul style="list-style-type: none"> ▪ Determine date of accounts publication. ▪ Where the financial statements were not published on time, identify and consider the actions taken by the Council and the reason's why the statutory publication date could not be made. ▪ Consider the Council's ability to support an audit of their financial statements through assessment of: <ul style="list-style-type: none"> ▪ The quality of the draft financial statements; and ▪ The quality and timeliness of working papers and evidence provided to support the financial statements.
Improving economy, efficiency and effectiveness	No significant weaknesses identified. The Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.	No risks of significant weakness identified in 2025/26 from initial planning procedures.	No risks identified.



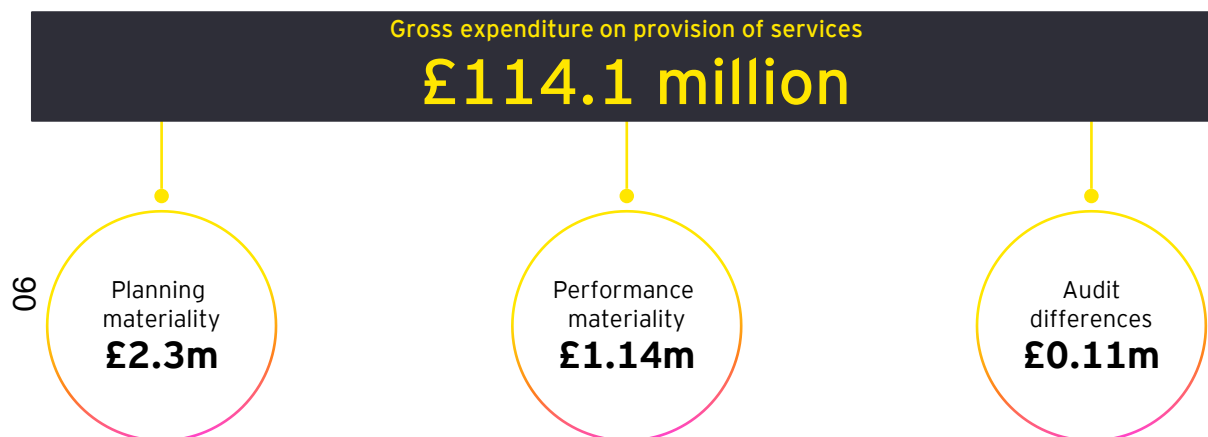
04 Audit materiality

Materiality

Group materiality

For planning purposes, Group materiality for 2025/26 has been set at £2.3 million. This represents 2% of the Group's 2024/25 gross expenditure on provision of services. It will be reassessed throughout the audit process.

We have provided supplemental information about audit materiality in Appendix G.



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

Key definitions

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

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.14 million which represents 50% of group materiality.

We have assessed a higher likelihood of misstatement and therefore, applied the lower threshold of performance materiality of 50%, given the extent of areas where we were unable to completed planned audit procedures and the level of misstatements identified in the 2024/25 financial statements (2024/25).

A lower materiality level provides a greater level of assurance but requires a higher level of audit testing to achieve that level, which will have implications for the scale fee and variations to that fee.

Audit difference threshold – We will report to you all uncorrected misstatements over £0.11 million, relating to the income statement and balance sheet that have an effect on income and misstatements in the Other Comprehensive Income.

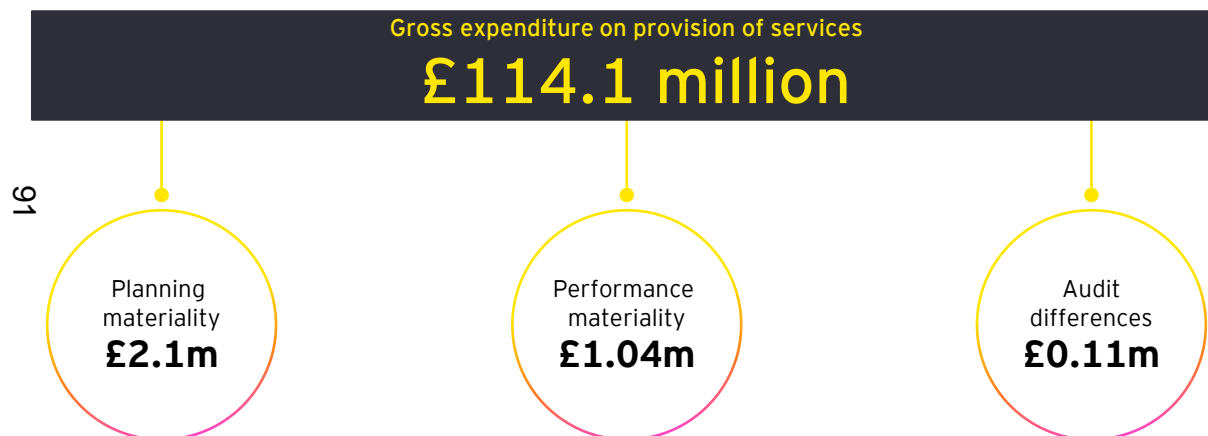
Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the Audit Committee are important from a qualitative perspective.

Materiality

Council materiality

For planning purposes, Council materiality for 2025/26 has been set at £2.1 million. This represents 2% of the Council's 2024/25 gross expenditure on provision of services. It will be reassessed throughout the audit process.

We have provided supplemental information about audit materiality in Appendix G.



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

Key definitions

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

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.04 million which represents 50% of group materiality.

We have assessed a higher likelihood of misstatement and therefore, applied the lower threshold of performance materiality of 50%, given the extent of areas where we were unable to completed planned audit procedures and the level of misstatements identified in the 2024/25 financial statements (2024/25).

A lower materiality level provides a greater level of assurance but requires a higher level of audit testing to achieve that level, which will have implications for the scale fee and variations to that fee.

Audit difference threshold – We will report to you all uncorrected misstatements over £0.11 million, relating to the income statement and balance sheet that have an effect on income and misstatements in the Other Comprehensive Income.

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



05 Scope of our audit

Audit process and strategy

Objectives of our audit scoping

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

1. Financial statement audit

Our opinion on the financial statements:

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

Our opinion on other matters:

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

Other procedures required by the Code:

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

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

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

Internal Audit

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

Scoping the group audit

Group scoping

The Council prepares its financial statements on a group basis. In line with ISA (UK) 600, our audit strategy for performing an audit of a group with multiple components is risk-based and our scoping of the group audit responds to the risks of material misstatement that we have identified for the group financial statements.

We first identified individually relevant components based on various risk characteristics and applied professional judgement to determine which accounts were to be included in the work performed at these components. We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. When determined that these residual balances could give rise to a risk of material misstatement of the group financial statements, we determine whether it is necessary to perform audit procedures on further accounts in components which are individually relevant and/or include accounts in additional components within the group audit scope to address the

risks of material misstatement of the group financial statements. Having identified the components for which work will be performed, we determined the scope to assign to each component.

For the remaining residual amount of balances and accounts of the group financial statements which are not included within the group scope we perform further risk assessment procedures to confirm that there is no risk of material misstatement within those amounts.

Based on the Group's 2024/25 financial statement, our preliminary group scoping is set out below.

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1 **A** Full scope audits (representing 98% of the group)

2 **B** Specific scope audits (representing 2% of the group)

A **Full Scope audits: Borough Council of King's Lynn & West Norfolk.** This component involves the design and performance of audit procedures on a significant proportion of the financial information of the component. Procedures performed at full scope locations support an interoffice conclusion on the reporting package. These may not be sufficient to issue a stand-alone audit opinion on the local statutory financial statements because of the scope of work, materiality used and any additional procedures required to comply with local laws and regulations

B **Specific Scope: West Norfolk Housing Company and West Norfolk Property Limited.** These components involve the design and performance of audit procedures on one or more classes of transactions, account balances, or disclosures of the financial information of the group. The accounts included in the scope are not a significant proportion of the financial information of the component.

Scoping the group audit continued

Identification of individually relevant components and additional relevant components:

We considered the following when identifying individually relevant components and the accounts to be included in the work to be performed at these components:

- Identification of individually relevant components (IRC): IRC components, are components that individually have a risk of material misstatement to the group financial statements. We considered the following matters to determine which components were individually relevant:
 - The significant risks (including fraud risks), and other areas of higher assessed risk associated with the component and the nature of the circumstances related to those risk(s) of material misstatement, including the relative size of the balance at the component.
 - The financial size of the component relative to the group
- Accounts to be included in the work to be performed by IRCs: We applied professional judgment in determining those accounts having considered:
 - The reasons the component was identified as individually relevant and the accounts affected by risks associated with the component
 - The extent of centralised procedures
 - Whether the accounts are affected by other assessed risks of material misstatement of the group financial statements
 - The relative size of the balance at the component.

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We identify additional relevant components when we determined that the remaining group significant account balances (residual balances) not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. In determining the number of additional components and extent of procedures to be performed took into consideration:

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

Scoping the group audit continued

Non-EY member firms

The following components will be audited by non-EY member firms:

Component name	Group Audit Scope	Component Auditor
West Norfolk Housing Company	Specific Scope	Ensors
West Norfolk Property Limited	Specific Scope	Ensors

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams.

The Group Audit team's involvement in the work of the component teams is not uniform. The involvement is affected by the assessed risks of material misstatement, their effect on different locations, the nature and extent of work and scope assigned to component teams and the Group Audit team's experience and understanding of the component teams. The group audit team's involvement takes different forms and will include: site visits; involvement in key decision discussions, such as: component team's involvement in discussions of the Group Audit team or the group team's involvement in component team discussions; other discussions and sharing of information, such as: regular team discussions/touch points, risk assessment discussions, discussions with component management and/or those charged with governance of components, or other ad hoc discussions; review of component team workpapers, such as: audit deliverables and underlying workpapers.



06 Audit team

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Audit team

Audit team leadership

The engagement team is led by David Riglar, who has overall responsibility for the performance of the audit and for the auditor's report issued on behalf of EY.

Our approach to the use of specialists

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

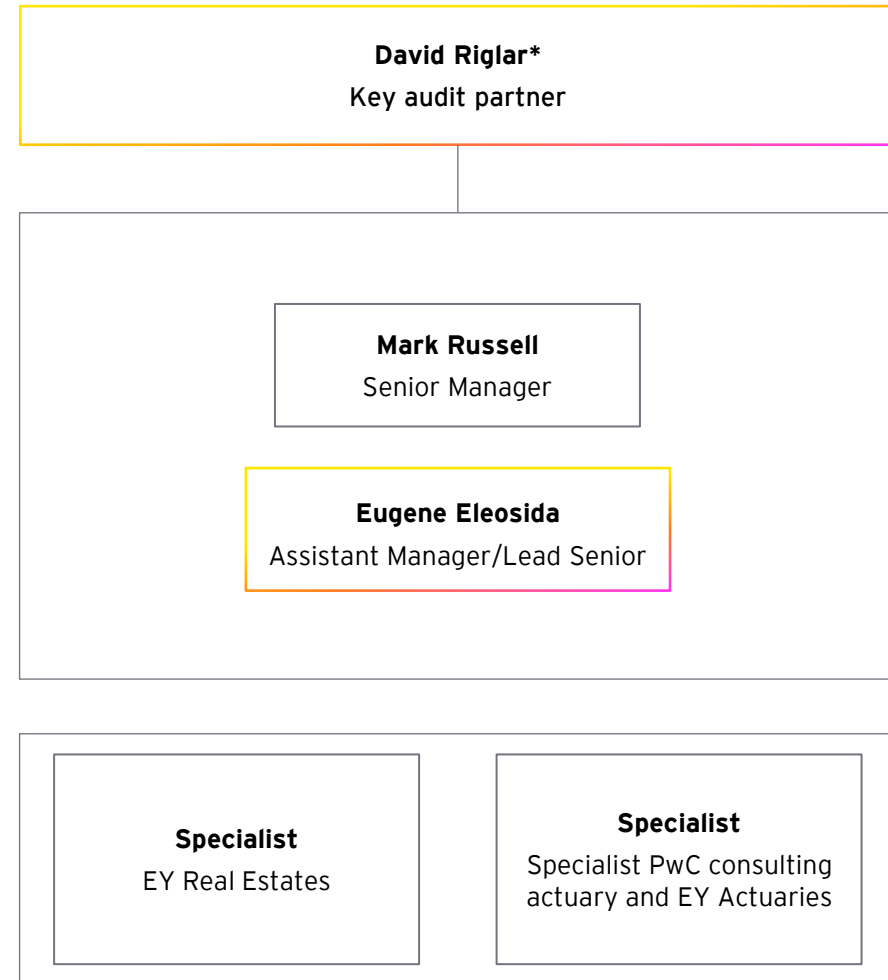
Area	Specialists
Valuation of Investment Property	EY Valuations team
Pensions disclosure	PWC consulting actuary and EY Actuaries

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

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

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





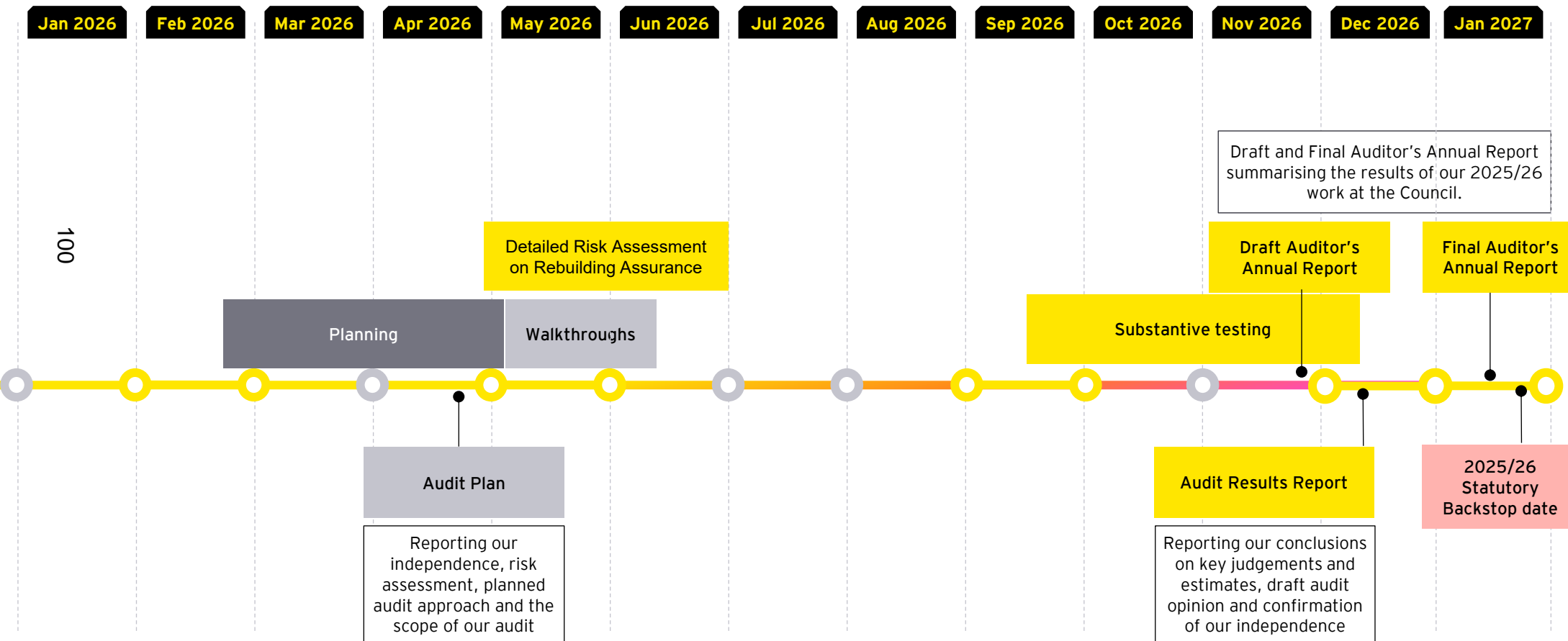
07 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2025/26.

From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





08 Appendices

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Appendix A – Rebuilding assurance: responsibilities

The Council's responsibilities

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

Preparation of the financial statements

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

27. In preparing their financial statements, audited bodies are expected to:

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

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

Observations from 2024/25

As we have outlined in prior years, our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. We presented our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures as part of our 2024/25 Audit Results Report.

We have repeated this assessment on the following page.

Appendix A – Rebuilding assurance: responsibilities continued

Factors impacting the execution of the 2024/25 audit

Area	Status			Explanation
	R	A	G	
Timeliness of the draft financial statements	Requires improvement			The financial statements were not published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations. This was due to incomplete accounting entries relating to the valuation of Property, Plant & Equipment and Pensions. The required Notice of Delay was issued and the financial statements were subsequently published on 14 July 2025.
Quality and completeness of the draft financial statements	Requires improvement			On initial review, we identified a number of non-material internal inconsistencies, disclosure, typographical and arithmetic errors in the draft financial statements and have identified areas where the financial statements do not reflect the disclosure requirements of the CIPFA Code of Practice
103 Delivery of working papers in accordance with agreed client assistance schedule	Ineffective			<p>Approximately 40% of working papers were not provided to the agreed timetable. The most significant of these were working papers relating to Debtors, Creditors, Grants, Leases, PPE and Investment Properties.</p> <p>As a result of delays in receiving working papers, we were not able to undertake planned early quality checks across all working papers and we were also required to reallocate work and consequently the audit has not progressed in line with the project plan.</p> <p>This impacted our ability to complete all planned audit procedures.</p>
Quality of working papers and supporting evidence	Ineffective			<p>Our review of the working papers, identified a number of issues which required us to raise additional requests to officers for clarification and additional supporting documentation. For example, Debtors and Creditors working papers did not meet the requirements set out in our working paper request as included significant opening balances and gross balances and therefore did not provide a list of year end outstanding debtors and creditors.</p> <p>We experienced delays in the provision of additional supporting evidence from the Council and in a number of areas the quality of evidence provided to support accounting balances and transactions has either not been readily available or has not been to the quality required to allow us to conclude work first time, resulting in a significant number of requests for clarification and further evidence.</p> <p>This has impacted our ability to complete all planned audit procedures.</p>

Appendix A – Rebuilding assurance: responsibilities continued

Factors impacting the execution of the 2024/25 audit

Area	Status			Explanation
	R	A	G	
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			We experienced delays in the provision of supporting evidence relating to the valuation of Property, Plant and Equipment and Investment Property assets, this resulted in delays to the audit process.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			Overall, we did not encounter significant issues with access to the finance team, but the overall capacity of the finance team to support the audit has resulted in delays to the audit process. We did encounter some issues accessing and receiving responses/supporting evidence from officers outside of the finance team which again resulted in delays to the audit process.
Volume and value of identified misstatements	Requires improvement			We identified a number of audit misstatements through our audit procedures.
Volume of misstatements in disclosure	Requires improvement			We identified a number of audit misstatements through our audit procedures.

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Key:

Red: Ineffective. In our judgement, significant improvements are required in the Council's arrangements to support the rebuilding of assurance. Action should be taken to respond immediately.

Amber: Requires Improvement. Matters and/or issues had an impact on the delivery of the audit and should be addressed in future years.

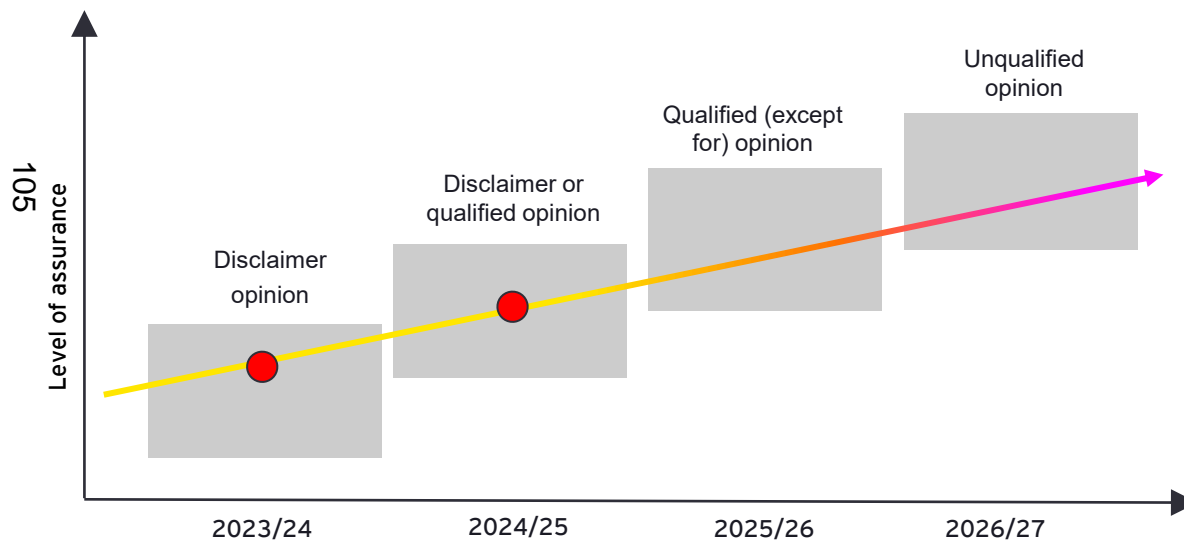
Green: Effective. There were no significant matters that impacted the timing or effectiveness of audit procedures.

Appendix A – Rebuilding assurance continued

Progress to full assurance

The chart below sets out the illustrative timescale for the process of rebuilding assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that assessment and what still needs to be done to successfully rebuild assurance.

The guidance recognises that the path to full assurance, and therefore an unqualified opinion, will usually take a number of years to achieve, and depends upon co-ordination and engagement between the Council and audit team. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements.



Borough Council of King's Lynn & West Norfolk progress

● In the audit reports for the years ended 31 March 2024 and 31 March 2025, a disclaimer of opinion was issued due to the application of the back stop and the areas of the financial statements where we were unable to complete planned procedures. This means the auditor has not been able to form an opinion on the financial statements.

In our view, the Council's progress falls behind the expected timescales set out in LARRIG 01. As set out in our 2024/25 Audit Results Report this means it is unlikely that audit assurances can be rebuilt to enable an unqualified opinion in 2026/27.

In 2024/25, additional assurance was achieved but there remained a number of areas where we were unable to complete our planned procedures including PPE, Investment Property, Debtors, Creditors, Grants, Leases, Reserves and Group accounts. As a result of these areas and the continuing lack of assurance over comparator income and expenditure balances, property plant and equipment balances and reserves, we anticipate that for 2025/26:

- We will have limited assurance over the opening balances for 2025/26; and
- Limited assurance over the closing reserves balance, due to uncertainty over the opening amount.

We will continue to work with the Council to rebuild assurance over time subject to recommendations made in Appendix C. Our objective is to continue to rebuild assurance, by providing assurance over the in year 2025/26 transactions and movements, where possible, and closing balances which can be materially determined without the opening balance, such as debtors and creditors.

Appendix B - Independence and Fees

The FRC Ethical Standard 2024 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence

Final stage

- In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of non-audit/additional services provided and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence (for breaches of the FRC Ethical Standard include details of its significance); and
- An opportunity to discuss auditor independence issues.

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

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

Relationships, services and related threats and safeguards

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

Appendix B - Independence and Fees continued

Overall Assessment

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

Self interest threats

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

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES and the services have been approved in accordance with your policy on pre-approval. There were no non-audit fees for the past three years. There are also no non-audit fees planned in relation to 2025/26.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with FRC ES Section 4.

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

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

Management threats

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

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

Other threats

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

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

EY Transparency Report

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: [EY UK 2025 Transparency Report](#).

Appendix B – Independence and Fees continued

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

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

The agreed fee presented is based on the following assumptions:

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

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

	Current Year	Prior Year
	£	£
Total Fee – Code Work	174,965	170,200
Scale Fee Variation	TBC (Note 2)	TBC (Note 1)
Total fees	TBC	TBC

All fees exclude VAT

1. The 2024/25 work has been completed, and we have submitted a scale fee variation to PSAA Ltd for determination in line with their required process.
2. The 2025/26 scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:
 - New or emerging audit risks, which are different from the base year upon which the Scale Fee was predicated.
 - Consideration of correspondence from the public and formal objections.
 - Non-compliance with law and regulation with an impact on the financial statements.
 - Use of lower materiality thresholds.
 - VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
 - The need to exercise auditor statutory powers.
 - Prior period adjustments.
 - Modified financial statement opinions.

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Appendix C – Prior year recommendations

As part of our annual audit procedures we will follow up the specific open and in progress recommendations reported within our 2024/25 reporting.

Classification of recommendations		
Grade 1: Key risks and / or significant deficiencies which are either critical to the achievement of strategic objectives or significant risks to material compliance with regulatory requirements. Management needs to address and seek resolution urgently.	Grade 2: Risks or potential weaknesses which impact on objectives and compliance, or impact the operation of a single process, and so require prompt but less urgent immediate action by management.	Grade 3: Less significant issues and / or areas for improvement which consider merit attention but do not require to be prioritised by management.

Internal control weaknesses

No.	Finding and/or risk	Recommendation and grading
601	Property, Plant and Equipment - Our audit procedures over Property, Plant and Equipment and Investment properties identified a lack of coordination between the Finance and Property team.	Grade 1 Management should establish a more structured and consistent coordination process to ensure the completeness and accuracy of the fixed asset register. This should include regular reviews of asset listings, timely sharing of supporting documentation and implementing a formal reconciliation process between valuation data, property records and fixed asset register to help prevent duplication, improve data integrity and support a more efficient audit process.
2	Leases - Our testing of leases and the implementation of IFRS 16 identified that the Council had not accounted for finance leases (lessee), and the associated adjustments to the Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP) did not appropriately reflect the right-of-use assets.	Grade 1 Management should establish robust framework for identifying, recognising and accounting for a leases including finance lease as lessee and establish clear procedures for updating CFR and MRP to appropriately reflect the underlying right-of-use asset.

Appendix C – Prior year recommendations

Internal control weaknesses

No.	Finding and/or risk	Recommendation and grading
3	Group Accounts - We were unable to obtain assurances from the Council's corporate subsidiary auditors due to the timing of their audit and subsequent reporting.	<p>Grade 1</p> <p>Management should strengthen its year-end financial reporting processes, particularly focusing on ensuring completeness and accuracy of the supporting consolidation and improving coordination with component auditors. Management should work with subsidiary management and subsidiary auditors to determine a timeline for the subsidiary audits that allows for adequate reporting to the group auditor being mindful of the changes to governmental back stop dates.</p>
4	<p>Preparation of robust draft financial statements, provision of quality working papers and support during the audit</p> <p>As detailed in appendix A we identified a number of issues regarding provision of working papers and supporting evidence. These issues caused slippage to the agreed project plan and inefficient use of the planned audit resources resulting in areas of the audit that we were unable to conclude contributing to our consideration of disclaiming the audit opinion in 2024/25.</p>	<p>Grade 1: The Council should continue to enhance its approach for supporting the audit process in the following areas:</p> <p>Build Capacity and Expertise for Audit Support</p> <ul style="list-style-type: none"> • Ensure sufficient capacity of skilled finance professionals with the necessary technical knowledge and experience to support the audit. <p>Improve Quality of Audit Working Papers</p> <ul style="list-style-type: none"> • Continue to implement robust processes to produce high-quality financial statements supported by complete, accurate, and well-referenced working papers. • Ensure all responses to audit queries are timely, address the questions raised and include appropriate supporting evidence. <p>Enhance Responsiveness and Communication</p> <ul style="list-style-type: none"> • Adhere to agreed turnaround times for audit queries (3 days) and sample evidence (5 days) or clearly communicate where these are not possible. • Establish clear escalation protocols for delays or unresolved issues. • Continue regular communication between audit leads and the Finance Team to monitor progress and resolve issues promptly.

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Appendix D – Prior year VFM recommendations

As part of our Value for Money procedures we will follow up on open and in progress recommendations reported within our 2024/25 reporting, these recommendations are detailed below.

Value for money arrangements

No.	Value for money reporting criteria	Finding and/or risk	Recommendation
1	Governance	In 2024/25 we identified a significant weakness in VFM arrangements related to the Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, and the Council's capability and capacity to support an audit of the financial statements.	<p>Recommendation 1 - ensure a thorough understanding of the requirements of the Local Government accounting framework and the CIPFA Code of Practice.</p> <p>Recommendation 2 - maintain knowledge of the Council's financial operations to support accurate reporting.</p> <p>Recommendation 3 - maintain sufficient capacity of skilled finance professionals with the necessary skills and training to produce high-quality financial statements together high-quality supporting audit working papers.</p> <p>Recommendation 4 - provide timely and effective support throughout the audit cycle.</p>

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Appendix E – Regulatory update

Key regulatory changes

There are a number of key regulatory developments underway relating to local authority governance and the audit of the Council's financial statements. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Borough Council of King's Lynn & West Norfolk
<p>English Devolution and Community Empowerment Bill</p>	<p>The Bill has completed all scrutiny stages in the House of Commons and is now at Committee stage (Grand Committee) in the House of Lords. The following measures therefore remain proposals until Royal Assent is granted:</p> <ul style="list-style-type: none"> ▪ Local audit system reforms: The Bill includes provisions to reform elements of the local audit framework in England alongside support measures intended to address the audit backlog. The Bill will also enable changes to the way audit oversight and local audit responsibilities operate. Section 61 of the Bill provides for the establishment of the Local Audit Office (LAO). Legislation will set out that the main objective of the LAO is to secure the effective operation of the system of audit, with a view to meeting the needs of users of audited accounts. The LAO will appoint auditors to non-NHS bodies, determine audit fees and prepare one or more Code of Audit Practice. ▪ Combined authorities and Combined County Authorities: The Bill expands powers and functions of combined authorities and places combined county authorities on a clearer statutory footing. This will allow further transfer of functions from constituent councils. ▪ Devolution of functions to "Strategic Authorities": The Bill expands the category of Strategic Authorities and allows transfer of responsibilities from central government and councils. ▪ Local Government Reorganisation: The Bill supports changes to council structures to support devolution. 	<ul style="list-style-type: none"> ▪ Local audit system reforms may result in changes to audit timescales or responsibilities and there may therefore be transition risks in future years. ▪ The Bill provides that the Council must have an audit committee, and that at least one member of the committee be an independent person.
<p>Renters Right Act</p>	<ul style="list-style-type: none"> ▪ The Renter's Rights Act became law on 27th October 2025. Under the Act, Councils are going to gain new powers to investigate landlords; act against rogue landlords; and ensure landlord compliance with new standards expected of them. ▪ Local housing authorities will receive £18.2 million in 2025/26 to support preparations for the implementation of the Renters' Rights Act 2025 and to build enforcement capacity. Funding will be allocated based on the number of private rented sector properties in each local area. 	<p>Enforcement guidance for local Councils has now been published. The guidance provides the critical information that enforcement officers will need to know to carry out their work in line with the new legislation. There will be a bespoke programme of training, webinars and resources through 'Operation Jigsaw', a cross-local Councils initiative; Changes will start coming into effect from 1st May 2026.</p>

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Appendix E – Regulatory update continued

Key regulatory changes continued

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Name	Summary of key measures	Impact on Borough Council of King's Lynn & West Norfolk
Public Office (Accountability) Bill	<p>The Public Office (Accountability) Bill aims to impose a duty on public authorities and public officials to “at all times act with candour, transparency and frankness in their dealings with inquiries and investigations.” Breach of the duty would be a criminal liability.</p> <p>The Bill is expected to apply not only to both core public bodies delivering public services but also private bodies delivering public functions such as those on a government contract.</p> <p>The Bill also proposes:</p> <ul style="list-style-type: none"> ▪ A new statutory duty on public authorities to promote and take steps to maintain high standards of ethical conduct, as defined by the Seven Principles of Public Life, or “Nolan Principles”; ▪ Reforms that will make it easier to prosecute misconduct in public office; and ▪ An offence of misleading the public. 	<ul style="list-style-type: none"> ▪ While the Bill continues to make its way through the House of Commons Committee processes, the Council should ensure that training and support for Councillors is enhanced to take account of greater expectations in relation to local government standards.
Fair Funding Review	<ul style="list-style-type: none"> ▪ On 20 November 2025, the government announced a multi-year Local Government Finance Settlement in a decade, together with the Fair Funding Review . Key measures include: ▪ There will be a single settlement for 2026/27 to 2028/29 ▪ The government plans to use up to date English Indices of Multiple Deprivation, together with up-to-date services cost and demand data to calculate individual council allocations for 2026/27 to 2028/29; and ▪ The Children and Young People’s Services formula will use the latest index of deprivation affecting children. <p>The new indices are expected to lead to greater transparency and a reduced reliance on competitive bidding for funds. The Government also announced it will simplify 33 funding streams, worth almost £47 billion over three years.</p>	<p>Using new indices will result in some Councils seeing increases in their allocations, whilst others see decreases. The government has, however, set out transitional arrangements to help with managing change:</p> <ul style="list-style-type: none"> ▪ A Recovery Grant funding guarantee to upper tier authorities in receipt of Recovery Grant; ▪ Funding floors and phasing in of new allocations across the multi-year settlement; and ▪ Additional money in the national settlement for children’s social care and a new ring-fenced combined Homelessness, Rough Sleeping and Domestic Abuse grant over three years.

Appendix E – Regulatory update continued

National Audit Office reporting

There are a number of key publications from the National Audit Office that have an impact on the Council. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key messages	Impact on Borough Council of King's Lynn & West Norfolk
Local government finance report 2026 to 2027	<p>The 2026-27 Local Government Finance Report introduces a multi-year settlement covering 2026/27 to 2028/29 and implements the Fair Funding Review 2.0. Updated distribution formulas will reallocate resources between councils, reflecting more recent demographic and deprivation data.</p> <p>The report confirms the continuation of council tax referendum principles and introduces significant changes to Special Educational Needs and Disabilities (SEND) funding, including the extension of the statutory override for DSG deficits to 2027/28 and a government-funded write-off of approximately 90% of historical DSG deficits. These policy changes represent one of the most substantial re-baselining exercises in recent years.</p>	<ul style="list-style-type: none"> ▪ Councils must re-model their Medium-Term Financial Plans (MTFPs) to account for formula redistribution effects and redesigned SEND funding arrangements. The ongoing restrictions on council tax increases will continue to limit local financial flexibility. For many authorities, particularly those with substantial DSG deficits, the reforms will have material implications for reserves management and financial stability.
Exceptional Financial Support for local authorities for 2025-26	<p>Exceptional Financial Support (EFS) remains a mechanism for councils facing acute short-term financial pressures.</p> <p>For 2025-26, thirty authorities received in-principal approval for EFS, allowing them to treat certain revenue costs as capital expenditure through capitalisation directions. The government has removed the additional 1% borrowing premium previously applied and has imposed conditions including enhanced assurance reviews and restrictions on community-asset disposals.</p> <p>The NAO notes that, although EFS can prevent immediate failure, it shifts the burden to future years through increased borrowing.</p>	<ul style="list-style-type: none"> ▪ For the sector, the continuation of EFS signals sustained financial fragility. Authorities using EFS must demonstrate credible, independently-scrutinised recovery and savings plans, along with significant improvements in governance, financial management, and internal controls. ▪ Councils should expect intensive oversight and stringent follow-up from central government when accessing this mechanism.
Local audit reform: Government response to the consultation to overhaul local audit in England	<p>The government response sets out a comprehensive overhaul of the local audit system in England. Central to the reforms is the creation of the Local Audit Office (LAO), which will assume responsibility for appointing auditors, preparing Codes of Audit Practice, enforcing quality standards, and overseeing audit delivery.</p> <p>A phased transition plan will move existing responsibilities from Public Sector Audit Appointments (PSAA) and other bodies to the NAO between 2026 and 2027, with the aim of stabilising the system, addressing audit backlogs, and restoring confidence in the timeliness and quality of local audit.</p>	<ul style="list-style-type: none"> ▪ For councils, the reforms will lead to more prescriptive expectations around audit readiness, governance, documentation quality, and responsiveness. Authorities should anticipate tighter reporting deadlines and increased scrutiny of working papers, internal controls, and VFM arrangements.

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Appendix E – Regulatory update continued

National Audit Office reporting continued

Name	Summary of key messages	Impact on Borough Council of King's Lynn & West Norfolk
Local Government Financial Sustainability	<p>The National Audit Office most recently reported on the context of local government finances in February 2024, which included their consideration of service and financial pressures. They concluded that although total local government funding has risen modestly in recent years, it has not kept pace with population growth, rising service demand, or the increasing complexity and cost of supporting people with high needs. Real-terms funding per person fell between 2015-16 and 2023-24, while demand for essential services such as adult social care, children's social care, SEND provision and homelessness continued to escalate. The NAO highlights growing evidence of strain across services, including delays in Education, Health and Care Plans and a sharp rise in families housed in temporary accommodation for longer than legally permitted. Repeated delays to long-promised funding reforms mean councils continue to rely on short-term, stop-gap measures. Exceptional Financial Support has become increasingly common, but while it prevents immediate failure, it also shifts financial risk into future years, reflecting underlying structural weaknesses in the local government finance system</p>	<ul style="list-style-type: none"> ▪ The report signals deepening financial fragility across the sector, with many councils facing heightened risk of issuing Section 114 notices unless systemic pressures are addressed. Rising demand and cost escalation in statutory services are absorbing an ever-greater share of local authority budgets, reducing the capacity to invest in preventative activity and long-term service improvement. The NAO warns that widespread reliance on temporary fixes—including Exceptional Financial Support—creates additional future liabilities and limits councils' ability to plan sustainably. Without coordinated, cross-government reform of funding, accountability and service oversight frameworks, councils will remain locked in reactive financial management, with growing consequences for service quality, citizen outcomes and long-term financial resilience.
Unlocking land for housing	<p>The National Audit Office reported in February 2026 that the government aims to deliver 1.5 million new homes by July 2029. To support this ambition, various land-unlocking programmes have been introduced to address constraints such as inadequate infrastructure, land assembly challenges, and site viability issues. Since 2016, £10.5 billion has been allocated across 768 projects, with £8.4 billion committed and £5.7 billion spent.</p> <p>Although these programmes collectively predict enabling around 713,000 homes, the NAO highlights that only a small proportion—around 33,300 homes—can currently be evidenced as completed, pointing to gaps in monitoring and programme assurance. Additionally, the creation of the National Housing Delivery Fund and a new National Housing Bank from April 2026 signals a shift toward a more consolidated and strategic funding model.</p>	<ul style="list-style-type: none"> ▪ The sector will experience increased expectations to produce detailed and evidence-based infrastructure planning to secure funding from the new mechanisms. Councils will be required to strengthen the robustness of business cases, improve monitoring of actual housing delivery, and anticipate tighter central-government scrutiny of riskier or larger projects. The shift to a single-gateway funding structure will also compel councils to maintain well-developed pipelines to access multi-year support.

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Appendix E – Regulatory update continued

National Audit Office reporting continued

Name	Summary of key messages	Impact on Borough Council of King's Lynn & West Norfolk
Improving local areas through developer funding	<p>The NAO identifies developer contributions—primarily Section 106 agreements and the Community Infrastructure Levy (CIL)—as essential tools for funding local infrastructure and affordable housing. However, the report finds significant variation across councils in both the application and governance of these mechanisms. Negotiated viability assessments often reduce the contributions developers agree to provide, while only around half of planning authorities have formally adopted CIL.</p> <p>Developer contributions account for roughly 44% of affordable housing delivery nationally, yet over 17,000 S106-linked affordable homes with planning consent lacked a housing association buyer at the time of review, indicating a delivery bottleneck. The government is providing additional planning capacity funding and establishing a Section 106 Affordable Homes Clearing Service to support councils in unlocking stalled developments.</p>	<ul style="list-style-type: none"> For councils, strengthening internal governance and transparency around developer contributions will be increasingly important. Authorities will need improved planning capacity, including specialist viability expertise, to mitigate risks of reduced contributions and ensure developer obligations are properly monitored. With the proposed Infrastructure Levy no longer being taken forward, councils must optimise and professionalise the existing S106 and CIL frameworks.

Appendix F – Required communications with the Audit Committee

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

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ The planned use of internal audit ▪ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	Audit Plan - Audit Committee - June 2026
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Other significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management ▪ Circumstances that affect the form and content of our auditor's report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report - Audit Committee - December 2026

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Appendix F – Required communications with the Audit Committee continued

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	Audit Results Report - Audit Committee - December 2026
Misstatements	<ul style="list-style-type: none"> ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods 	Audit Results Report - Audit Committee - December 2026
118 Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, unless prohibited by law or regulation any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others, when the identified or suspected fraud is other than clearly inconsequential. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility 	Audit Results Report - Audit Committee - December 2026

Appendix F – Required communications with the Audit Committee continued

Required communications	What is reported?	Our Reporting to you
		When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties	Audit Results Report - Audit Committee - December 2026
Independence	<p>Communication of the relevant ethical requirements, including those related to independence, that we apply for the audit engagement, including any independence requirements specific to audits of financial statements of the entity.</p> <p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence ▪ Breaches of IESBA Code of Ethics, local independence regulations or professional standards (for breaches of the FRC Ethical Standard, include details of the breach and its significance) <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p> <p>Communication of relevant information to those charged with governance, to enable them to provide concurrence on the non-audit services being provided.</p>	<p>Audit Plan - Audit Committee - June 2026</p> <p>Audit Results Report - Audit Committee - December 2026</p>

Appendix F – Required communications with the Audit Committee continued

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report - Audit Committee - December 2026
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report - Audit Committee - December 2026
Internal controls	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit 	Audit Results Report - Audit Committee - December 2026
120 Group audits	<ul style="list-style-type: none"> An overview of the work to be performed at the components and the nature of the group audit team's planned involvement in the work to be performed by component teams Instances when the group audit team's review of the work of a component team gave rise to a concern about the quality of that team's work, and how the group audit team addressed the concern Any limitations on the ability to obtain sufficient appropriate audit evidence in support of the group audit opinion, for example, where the group audit team's access to people or information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in the group's system of internal control or others when the fraud has the potential for having a "more than inconsequential" effect Significant deficiencies identified in the group's system of internal control 	Audit Results Report - Audit Committee - December 2026

Appendix F – Required communications with the Audit Committee continued

Required communications	What is reported?	Our Reporting to you
		When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - Audit Committee - December 2026
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit Results Report - Audit Committee - December 2026
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - Audit Committee - December 2026
Auditors report	<ul style="list-style-type: none"> ▪ Key audit matters that we will include in our auditor's report ▪ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - Audit Committee - December 2026

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Appendix G – Additional audit information

Objective of our audit

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Other required procedures during the course of the audit

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Council's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the audit committee reporting appropriately addresses matters communicated by us to the audit committee and reporting whether it is materially inconsistent with our understanding and the financial statements.
- Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- The components at which we conduct audit procedures to support the opinion given on the Group financial statements
- The level of work performed on individual account balances and financial statement disclosures

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

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ED None

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POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	15 June 2026		
TITLE:	Draft Annual Governance Statement 2026 covering the 2025/26 financial year		
TYPE OF REPORT:	Review and approval		
PORTFOLIO(S):	Cllr Alistair Beales		
REPORT AUTHOR:	Charlotte Marriott – Interim Corporate Governance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

Annual Governance Statement 2026

PURPOSE OF REPORT/SUMMARY:
<p>The Terms of Reference of the Audit Committee state: The main areas of responsibility for the Audit Committee will be to:</p> <ol style="list-style-type: none"> a) Monitor the Council’s responsibilities (under Regulation 6) of the Accounts and Audit Regulations 2015 and approve the Statement of Accounts. b) Review the Council’s assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it. <p>This report brings the Council’s draft version of the Annual Governance Statement (AGS) 2026 to the Committee for consideration and approval.</p> <p>The preparation and publication of the AGS is a statutory requirement. The document is a public statement that describes and evaluates the council’s overall governance arrangements, in particular how it has complied with its Code of Corporate Governance during a particular financial year.</p>
KEY ISSUES:
<ol style="list-style-type: none"> 1. That the AGS accurately reflects governance arrangements and highlights areas for improvement 2. Compliance with the CIPFA Addendum - Has the Council adequately addressed the new requirements? 3. Update on progress against key actions raised for 2024/2025 and new actions identified for 2025/2026.
OPTIONS CONSIDERED:
Options do not apply; the council must prepare, approve and publish a statement.
RECOMMENDATIONS:
<p>The Committee is recommended to:</p> <ol style="list-style-type: none"> 1. Review and comment on the draft 2025/26 AGS. 2. Confirm that the AGS appropriately reflects the Council’s governance arrangements and complies with the requirements of the CIPFA Addendum. 3. Recommend the AGS for approval and inclusion within the 2025/26 Statement of Accounts, pending external auditor feedback.
REASONS FOR RECOMMENDATIONS:
To ensure the AGS 2026 accurately reflects the Council’s governance and risk environment, and that identified improvements are being appropriately monitored.

1. Introduction

- 1.1 The council's [Code of Corporate Governance](#) sets out the many systems, policies, procedures, and operations we have in place, to help realise the principles defined within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework.
- 1.2 The core principles are:
- Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - Principle B Ensuring openness and comprehensive stakeholder engagement.
 - Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits.
 - Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Principle F Managing risks and performance through robust internal control and strong public financial management.
 - Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 1.3 The extent to which the council adheres to these principles is described in the AGS.
- 1.4 The preparation and publication of the AGS is a statutory requirement. The AGS describes and evaluates the council's overall governance arrangements during a particular financial year. It includes a self-assessment of the Council's governance framework, the effectiveness of its systems of internal control and the actions being taken to strengthen governance arrangements.
- 1.5 For 2025/26, the AGS has been updated to reflect the requirements of the [CIPFA Delivering Good Governance in Local Government Framework Addendum](#) (2025), which introduces new expectations around transparency, assurance mapping, and the reporting of significant governance issues.

2. The Annual Governance Statement 2026

- 2.1 The AGS has been produced in accordance with relevant guidance. A comprehensive review has taken place to ensure that the AGS accurately reflects the council's governance arrangements and provides focus on areas that require improvement.

2.2 The development of the AGS has engaged service managers and the Executive Leadership Team. In particular, input has been obtained from the Monitoring Officer, the S151 Officer and the Head of Internal Audit.

3. Corporate Priorities

Not applicable, the AGS is a statutory requirement.

4. Policy Implications

None at present, however, associated actions will likely have policy implications.

5. Financial Implications

None at present, however, associated actions may have financial implications.

6. Personnel Implications

None at present, however, associated actions will have personnel implications

7. Statutory Considerations

7.1 The adoption of the Annual Governance Statement will be required to comply with the Accounts and Audit Regulations 2015.

8. Equality Opportunity Considerations

None.

9. Risk Management Implications

9.1 The Annual Governance Statement forms part of the council's overall control framework and will provide reasonable assurance once adopted that the council is complying with the adopted Code of Corporate Governance.

10. Recommendations

- 10.1 The Committee is recommended to:
- a) Review and comment on the draft 2025/26 AGS.
 - b) Confirm that the AGS appropriately reflects the Council's governance arrangements and complies with the requirements of the CIPFA Addendum.
 - c) Recommend the AGS for approval and inclusion within the 2025/26 Statement of Accounts, pending external auditor feedback.

11. Declarations of Interest / Dispensations Granted

None

Background Papers

- a) [CIPFA/SOLACE Delivering Good Governance in Local Governance Framework 2016 edition and addendum May 2025](#)
- b) [Code of Corporate Governance](#)
- c) Various policies, strategies and procedures
- d) [Council Constitution](#)
- e) Service Area Assurance Statements



Borough Council of
King's Lynn &
West Norfolk



ANNUAL GOVERNANCE STATEMENT

2026

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Executive Summary

The Borough Council of King's Lynn and West Norfolk is committed to delivering its Corporate Strategy for the benefit of residents, businesses and communities across the borough. Effective governance is fundamental to achieving this ambition, ensuring that decisions are lawful, transparent, accountable and aligned to the Council's priorities.

This Annual Governance Statement (AGS) sets out how the Council has met its governance responsibilities during 2025/26 and provides an honest and evidence-based assessment of the effectiveness of its governance framework, in line with the CIPFA/SOLACE Framework and the 2025 addendum.

The review confirms that the Council's governance arrangements are generally sound and operating effectively, with strong foundations in ethical standards, financial management, transparency and statutory compliance. The Council is therefore able to provide reasonable assurance that its governance framework is fit for purpose.

However, the assessment also recognises that the operating environment remains challenging. Ongoing financial pressures, increasing service demand, and the scale of transformation associated with Local Government Reorganisation and devolution continue to place strain on organisational capacity and systems. In addition, the Council is delivering a portfolio of significant regeneration and transformation activity while maintaining core services.

Within this context, a number of areas have been identified where governance arrangements require strengthening or more consistent application, rather than fundamental redesign. These include:

- consistency of performance management and reporting across services
- workforce capacity and completion of statutory training
- strengthening programme and project governance
- information governance and cyber resilience
- financial sustainability and medium-term planning
- compliance with procurement processes
- health and safety systems and assurance

These issues do not reflect an absence of controls, but variability in their application, documentation, and organisational maturity. As such, they have been identified as priority areas for targeted improvement and are supported by a clear and deliverable action plan.

The Council has also continued to respond to wider strategic priorities, including its commitment to addressing health inequalities. Through adopting principles consistent with the Marmot approach, the Council is embedding consideration of the wider determinants of health—such as housing, environment and economic opportunity—into its policy and decision-making framework.

External assurance activity during the year, including the independent review of health and safety arrangements, has provided valuable insight and supports the Council's focus on strengthening consistency, structure and communication across key governance systems.

Looking ahead, the Council remains committed to continuous improvement. The governance framework will continue to evolve to ensure it supports effective decision-making, manages risk appropriately, and maintains public confidence during a period of significant change.

The Council recognises that good governance is not static; it requires active leadership, clear accountability, and a culture of openness and learning. This AGS demonstrates both the strength of the current framework and the organisation's commitment to addressing areas for improvement in a structured and transparent way.

We approve this Annual Governance Statement.

Cllr Alistair Beales
Leader of the Council
Date:



Kate Blakemore
Chief Executive Officer
Date:



Cllr Tom de Winton
Chair of Audit Committee
Date:



Position Statement

We commit to working for West Norfolk as a whole, ensuring that we consider the needs of all our communities and developing the area as a place on the map. A place where people choose to live, work, visit and invest.

Our Corporate Strategy, and subsequent Executive Team plans set out our vision and priorities. Good governance is essential to ensure we deliver these priorities – for our residents, staff, stakeholders and Councillors.

We strive to meet the highest standards of corporate governance to help ensure we meet our objectives and that we conduct business in a fair, open and transparent manner. Good governance ensures our functions are carried out in accordance with the law and proper standards.

It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance

The underlying financial environment continues to pose significant challenges and Local Government Reorganisation, alongside Devolution, continues to place pressure on internal resources to carry out the day-to-day activities across the organisation.

Despite the recognised financial challenges, we have committed to delivering a number of high value, high impact regeneration projects to benefit the residents of West Norfolk – including the sensitive preservation of the internationally significant St George's Guildhall, revitalising the iconic Custom House and the capital investment plan for Lynnsport with the integration of a new swimming pool.

The Council, Norfolk Public Health and Norfolk and Waveney ICB have committed to collaborating with partners to develop and implement the Marmot Place Programme for King's Lynn and West Norfolk. This initiative is a two-year work programme, during which partners will work closely with the Institute of Health Equity in developing recommendations to drive action in reducing health inequalities across King's Lynn and West Norfolk.

The first report as part of the Marmot Place project, overviews inequalities in health among babies, children, and young people and inequalities in key social determinants of health including development in the early years, through education and skills building, and into employment and further education. There is also focus on rurality, housing, green space and transport all areas which impact on the health and lives of children and young people.

Building on the evidence and the views of the many stakeholders, the report sets out high-level recommendations for action for the many sectors and organisations which shape health across the Borough. The next phase of the programme involves organisations developing practical ways forward, with specific commitments and implementation. There is a great deal



that can be achieved to ensure greater health equity for all the residents of King's Lynn and West Norfolk.

Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

We are grateful to the councillors and officers of the council for all their efforts to ensure that the council is well run, transparent in its decision making and delivers the 'golden thread' which supports the effective management and leadership of the council.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which we hold ourselves accountable for continuous improvement.

The review of effectiveness confirms that during 2025-2026 there was overall assurance against the Governance Framework however, there are specific areas that have been identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

The council has a [Code of Corporate Governance](#) which sets out how the council maintains good governance. This code was developed against the [CIPFA Delivering Good Governance in Local Government Framework](#).

The Annual Governance Statement (AGS) reports publicly on how the council has complied with its governance duties and how the council has deployed effective governance during the 2025-26 financial year against the code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The AGS 2025-2026 has been developed in line with the May 2025 [addendum to the CIPFA Delivering Good Governance in Local Government Framework](#).

Scope of Responsibility

The council's responsibilities are to:

- Ensure its business is conducted in accordance with the law and proper standards
- Safeguard and properly account for public money
- Use public money economically, efficiently, and effectively
- Meet its 'best value duty' to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This AGS reflects how the council has complied with the seven principles of good governance and identifies how we plan to maintain compliance and drive improvements.

Corporate Strategy and Action Plan

The council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the [Corporate Strategy](#) and ensure good governance within

the council. The Corporate Strategy, published in December 2023, sets out the council's vision, priorities and key principles. The [Action Plan 2025-2027](#), agreed by Cabinet, sets out our key projects and desired outcomes to be achieved against the corporate priorities to deliver our Corporate Strategy and the needs of the residents.

Governance Framework

The Governance Framework is the set of systems, policies, procedures, values, and working practices that guide and control how the council operates. It covers how the council reports to the public, involves its communities, and, when appropriate, provides leadership.

This framework helps the council to assess whether it is achieving its key priorities and outcomes, and whether those efforts are resulting in suitable services and good value for money.

The [Code of Corporate Governance](#) was reviewed and revised during 2024-2025. It was presented to [Audit Committee](#) in March 2025 and [Cabinet](#) in April 2025, by the Monitoring Officer, and was subsequently adopted.

The AGS has been informed by the completion of 'Governance Assurance Statements' by key officers against specific questions focussing on the seven key principle. These provide assurance that effective governance arrangements are in place across all service areas, they also highlight areas that require further development. This is a newly introduced process for 2025-2026 that supports the development of the AGS and will be further embedded during the year ahead.

Decision making structures

The Council's governance framework is supported by a number of key decision-making and oversight bodies. Together, these structures provide democratic accountability, strategic leadership, and independent assurance over the effectiveness of the Council's arrangements. The main components of this framework are outlined below.

Full Council	Full Council meet approximately every six to eight weeks and is consists of all 55 elected members. Full Council has responsibility for: <ul style="list-style-type: none">• Approval of the Corporate Strategy• Approval of the Constitution• Approval of the policy framework• Setting the budget.
Cabinet	Cabinet is made includes the Leader and eight other elected members that hold specific portfolio holder responsibilities.
Audit Committee	The Audit Committee provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework, internal control environment reviews and

approves the Annual Statement of Accounts and Annual Governance Statement.

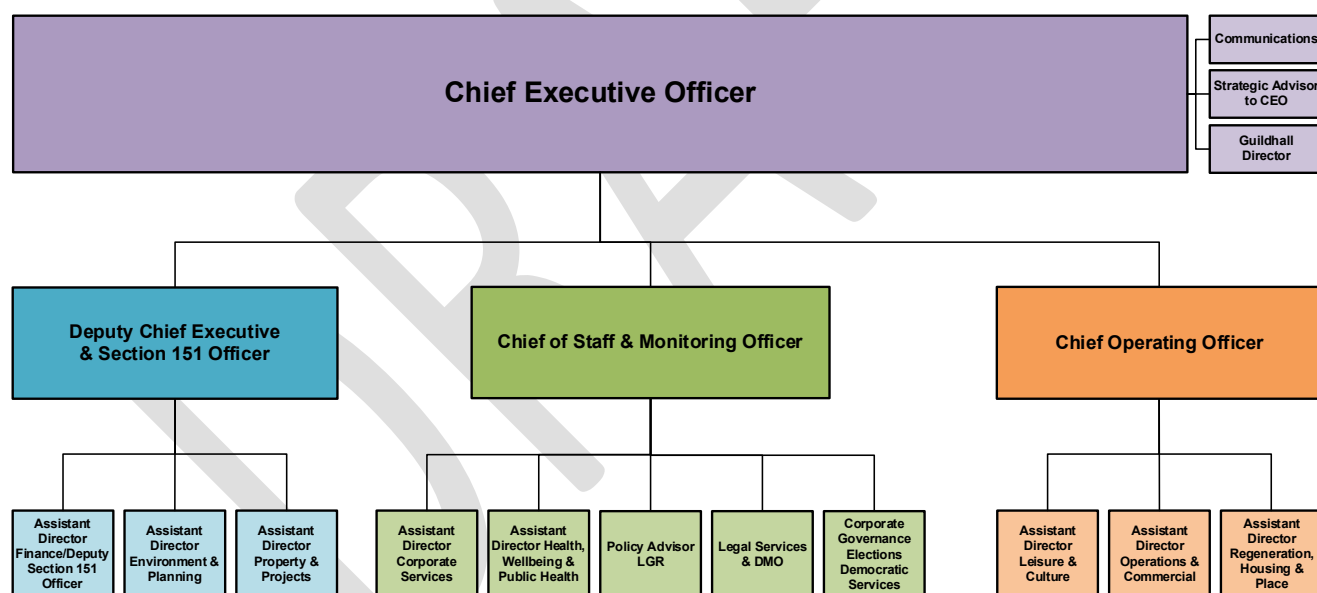
Scrutiny committees are in place to scrutinise executive decisions to help inform policy development and to review the effectiveness of existing policies. The council has three scrutiny panels:

- Corporate Performance Panel
- Regeneration Development Panel
- Environment and Community Panel

Statutory Officers and Organisational Structure

The Chief Executive Officer, Deputy Chief Executive (& S151 Officer), Chief Operating Officer and Chief of Staff (& Monitoring Officer) are collectively the Executive Leadership Team (ELT), whilst the Assistant Directors, including members of ELT make up the Corporate Leadership Team (CLT).

The Chief Executive Officer (Head of Paid Services), Deputy Chief Executive (& S151 Officer) and Chief of Staff (& Monitoring Officer) posts are designated Statutory Officers. [Article 12 of the Constitution](#) defines the functions of statutory posts.



Performance Monitoring

Corporate performance monitoring is in place to connect the priorities from the [Corporate Strategy](#) to individual service areas. Corporate performance is reported to the Corporate Performance Panel and Cabinet on a quarterly basis. Overall, many services across the Council perform well and this is reflected in the quarterly [Corporate Performance Management Reports](#) for 2025/2026 which demonstrates the council's effective delivery of services and support for the community.

Performance monitoring covers the Corporate Strategy and key performance indicators agreed by the Corporate Leadership Team and the Corporate Performance Panel.

Risk Management

The council's [Risk Management Policy and Strategy](#) were adopted by Full Council in January 2026. The Policy and Strategy are reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council. It is the council's policy to proactively identify, understand, manage and review the risks involved in service delivery and those associated with our plans and strategies, so as to encourage responsible and informed decision making.

Online risk awareness training is to be rolled out to relevant officers to ensure they have the necessary skills to identify, appraise and control the risks associated with the services they provide and projects they manage. Elected members will receive the online training so that they can consider the implications of risk whilst engaged with council activities.

To ensure it is effective, risk management needs to be aligned with corporate aims, objectives and priorities. The council's approach to embedding risk management is to create a culture that spreads best practice, identifies and communicates lessons learnt, and uses appropriate expertise.

The council's risk appetite is defined in the Risk Management Policy as 'open', which means that the council is prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.

Information Governance and Data Protection

During 2025-26 the Council has embarked on an Information Governance and Data Protection transformation programme. It was identified that the organisation was carrying significant risks related to our Information Governance, Data Protection and data management practices.

An application review was conducted during January, February and March 2026, which highlighted a lack of ownership and accountability for a number of digital systems being used across the authority, with no one seemingly being responsible for the data held in those systems.

Compliance with retention schedules, statutory timeframes for responses and maintenance of our Record of Processing Activity (RoPA) and our Information Asset Registers required immediate attention.

What we have done to address these issues:

- Create awareness and accountability at Executive and Corporate Management levels – clearly articulating the risks this presents to the authority and our residents.

- Introduction of Information Governance Leads across all service areas within the Council.
- Revised mandatory Data Protection training for all staff, which will be rolled out in 2026-27.
- Provided clarity of key Data Protection roles, alongside the recruitment of a new Data Protection Officer (DPO).
- New members of staff managing FOIs and SAR requests to improve compliance with statutory timeframes.
- Provided templates and deadline for the completion of service area RoPAs and IAR.
- Reviews of retention schedules carried out during March 2026.
- Proposal for the 'Establishment of a Corporate Data Government Framework' was endorsed by the Executive Leadership team in March 2026 and will be actioned during 2026-27, this includes the commissioning of a comprehensive data audit (which will include structured and unstructured data repositories)

The Data (Use and Access) Act 2025 passed into law in June 2025. This act introduces changes to UK data protection law. We have begun to revise our Data Protection Policy to ensure compliance and continue to drive improvements. The revised policy will be presented to Cabinet in June 2026. Information Governance matters are reported annually to the [Corporate Performance Panel](#).

Designated Posts

Experienced postholders include the Data Protection Officer/Interim Corporate Governance Manager, Senior Information Risk Owner (SIRO), Deputy Senior Information Risk Owner, Senior Corporate Governance Officer and the Information Governance Officer. In addition, appointed Information Governance Leads were introduced during 2025/26 across all services.

Data Protection Officer (DPO) Assurance Statement

As the Council's DPO, I confirm that I have exercised my statutory responsibilities independently and in accordance with Articles 37–39 of the UK GDPR. I have provided advice, monitoring, and oversight of the Council's compliance with data protection legislation throughout 2025/26.

Procurement and Contract Management

Procurement and Contract Management Transformation (P&CTM) began in 2024/25 and has continued throughout 2025/26, with the team implementing the changes brought about by new Contract Standing Orders and new national legislation, the Procurement Act 2023, both of which came into force in February 2025.

Non-Compliant Spend

There are areas of non-compliant spend, Contract Standing Orders are an internal control designed to support best value being achieved and as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The P&CMT's quarterly meetings are bringing some of this non-compliant spend to light, and work continues to ensure all future contracts are subject to correct procurement procedures. This is reviewed quarterly and reported on as part of the performance measures. A deep dive review of non-complaint spend was commenced at the end of quarter four, which will drive further improvements in this area. This issue has been assessed as a 'significant governance issues'.

Wholly Owned Companies

WNHC Company Ltd (WNHC)

WNHC has received independent legal advice on the Loan Agreement and continues to work towards completion of the agreement. Financial modelling has been updated to ensure the proposed finance is affordable for the company and independent assurance on this modelling has also been provided. The board has delegated authority to officers to finalise and enter into the agreement and it is anticipated that the agreement will be completed by early March 2026.

WNHC together with the council continue to explore further opportunities to access grant to deliver additional affordable housing. Homes England recently released details of the new Social and Affordable Homes Programme 2026-36. The programme opens for bids in February and consideration is currently being given to opportunities to utilise this funding.

Work has commenced to finalise a new Support Services Agreement (SSA) for all services provided by the council to the company. A revised draft of the SSA was considered by the board at their December board meeting and this is expected to be finalised and approved in March 2026. WNHC will work with the council to review and update the Shareholder agreement and Articles of Association.

WNPL Limited (WNPL)

Financial modelling has been updated and presented to the board. WNPL continues to have discussions with the council regarding terms of the future funding arrangements.

A full review of stock management and maintenance arrangements to be undertaken with a procurement strategy agreed by the end of March 2026 ahead of the end of the current contract in October 2026. A review of options for future arrangements was considered by the Board in March 2026.

An annual tenant satisfaction survey has been completed with a 36% response rate. Tenants gave WNPL an average rating of 7.3 out of 10 and 7 out of 10 for Touchstone. 93% of those that responded were satisfied that WNPL provides a Safe Home and 70% were satisfied that WNPL provides well maintained homes with the remaining 30% neither satisfied or dissatisfied. Additional surveys have also been introduced at the beginning and end of tenancies and the results of these will be monitored.

The Renters Rights Bill received Royal Assent on 27th October 2025 and became the Renters Rights Act 2025. Measures within the Act will be introduced in phases with the first phase in May 2026 introducing significant reforms to tenancies in the Private Rented Sector. This includes the abolition of "no fault evictions" and fixed term tenancies. A review of the impact

of the Act on the Company's Business Plan has been shared with the board and discussed at the January meeting.

The impact of the phase 1 measures are expected to have a minimal impact on the company's business plan as the WNPL was already committed to not carry out no fault evictions and providing long term tenancies. A full review of policies, procedures and documents (such as tenancy agreements) will be carried out in the new year.

A Housing Management Policy Review has been undertaken, and new Housing Management Policies have been introduced in relation to lettings and tenancy sustainment. All policies will be reviewed to ensure compliance with the Renters Rights Act.

Financial Management and Sustainability

In accordance with Section 25 of the Local Government Act 2003, the Deputy Chief Executive (Section 151 Officer) reported to Full Council in February 2025 on the robustness of estimates and adequacy of reserves. The assessment concluded that the budget for 2025-26 is based on sound assumptions, with appropriate mitigation of key risks, and that reserves are adequate to support the Council's financial plans.

Medium-Term Financial Strategy (MFTS):

The MFTS presented to Cabinet and Full Council in February 2026 confirms that budget gaps persist from 2026/27 onwards, reflecting continued uncertainty in the national local government finance system and the scale of cost and demand pressures. To achieve longer term financial sustainability, a combination of measures will be required during the next budget cycle, including a phased but time limited use of reserves, income generation, service redesign and transformation, and the delivery of savings. The Council's reserves remain at a level sufficient to provide financial resilience and the time required for planned actions to take effect.

The Council's financial management arrangements remain fully aligned with the governance requirements set out in the CIPFA Governance Framework and are embedded within the Financial Regulations forming part of the Constitution. Monthly budget monitoring continues to be undertaken, with quarterly reporting to Corporate Leadership Team, Cabinet and Scrutiny. The annual budget undergoes extensive development, review and challenge, covering the General Fund, the Capital Programme, and the budgets of the Council's wholly owned companies.

Security of the Council's funds remains the overriding priority, above liquidity and yield, underpinning the Treasury Management Policy Statement. [Council budgets](#)

Long-term financial planning, resilience and governance of financial decision making

Building on the Medium-Term Financial Strategy and the Council's established financial management arrangements, the governance framework ensures that long-term financial planning is fully integrated with strategic planning and decision making. There is clear alignment between financial planning, the Corporate Strategy and service planning processes

which enables resources to be directed towards agreed priorities while maintaining a focus on sustainability over the medium to longer term.

Within this framework, scenario modelling is used to inform planning and decision making. A range of financial scenarios are developed and considered which reflect different assumptions around funding levels, service demand, inflation and wider economic conditions. This ensures that Members and senior officers are sighted on the potential scale and timing of future financial pressures and are able to consider the implications of alternative policy choices and delivery models. This approach supports flexibility and preparedness in the context of ongoing uncertainty both within the national funding system and the potential implications of Local Government Reorganisation.

Financial resilience is considered on an ongoing basis through the Council's governance and risk management arrangements. This includes the integration of financial risks within the corporate risk framework alongside a regular review of key financial indicators and the broader assessment of organisational capacity to respond to financial challenges. In doing so, the Council considers not only the adequacy of reserves, but also its ability to sustain service delivery, manage demand pressures and deliver planned changes over time.

The governance framework also plays a critical role in supporting the management of difficult financial decisions. Clear processes are in place to ensure that decisions are informed by robust financial analysis, risk assessment and consideration of alternative options. Proposals are subject to structured reporting, challenge and scrutiny through Corporate Leadership Team, Cabinet and Scrutiny arrangements thereby providing assurance that decisions are transparent, evidence-based and aligned to the Council's priorities. This enables the Council to balance competing demands and take necessary decisions in a controlled and accountable way.

Savings and transformation programmes are delivered within this governance framework with defined arrangements for approval, oversight and performance monitoring. Proposals are assessed for financial viability, deliverability and alignment with strategic objectives and are subject to ongoing monitoring through established reporting mechanisms. Where risks to delivery are identified, there are clear escalation routes to enable timely intervention and corrective action.

Collectively, these governance arrangements provide assurance that the Council is taking a structured and forward-looking approach to managing its financial position which supports both the sustainability of its finances and the effective delivery of its services.

Counter-Fraud and Anti-Corruption

The councils Anti-Fraud and Anti-Corruption strategy, 2025-2028 establishes our vision, principles and priorities for prevention and tackling fraud and corruption.

Our [Anti-Fraud and Anti-Corruption policy](#) sets out how concerns are handled, including triage, investigation, sanctions and communication. The policy also identifies the fraud risks that the Council faces, collectively and for specific services.

Our [Anti-Money Laundering Policy](#) explains our approach to money-laundering risks, including roles, reporting and customer due diligence.

Investigations are taken in response to referrals to the Council from individuals and via the National Fraud Initiative Data-matching Portal.

Transparency and stakeholder engagement

Our [transparency webpage](#) is regularly updated and provides easy access to the information we publish in order to be open and clear, including councillor's expenses and senior salaries.

The council provides live streaming of Council and Committee Meetings that are open to the public to ensure transparency and easy access for all residents - [WestNorfolkBC](#) – apart from meetings where exempt matters are being debated or discussed. [Agendas, report packs and minutes](#) are also available. [Officer](#) and [Member](#) delegated decisions are available on our website.

Corporate [performance monitoring reports](#) are published on our website on a quarterly basis, to help residents understand how well key elements of services are performing.

The council's [financial strategy](#) is available on our website. In February we set our spending strategy for the forthcoming financial year that starts in April, together with projections of income and expenditure for future years. In approving the financial strategy we also set the [Council Tax](#) for the next financial year.

Whistleblowing

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we encourage all employees, Councillors, and those we work in partnership with to come forward and voice concerns about any aspect of the Council's work. We emphasise that employees can do so without fear of reprisals. The earlier concerns are raised, the easier it is to act and deal with the matter.

The Council's [Whistleblowing policy](#) sets out its approach to ensuring that concerns of significant public, including potential fraud, malpractice or illegality can be raised and considered in a safe and confidential manner. The Policy supports a culture of openness and accountability ensuring that individuals can raise concerns with confidence and without fear of detriment.

The Council maintains a separate whistleblowing procedure for staff and members which sets out in operational terms how reporting will be managed.

The Monitoring Officer provides an annual report to the Audit Committee, on an exception basis, on the handling of whistleblowing reports received in the preceding year, in a form that does not compromise confidentiality.

Standards and Code of Conduct Complaints

Our guidance on Member Code of Conduct Complaints Handling was approved by the Standards Committee in February 2023. This guidance outlines the arrangements under

which allegations against elected or co-opted councillor of the authority or of a town or parish council within our area have failed to comply with the Code of Conduct will be considered. Code of Conduct Complaints are reported to the [Standards Committee](#) on an annual basis.

Corporate Complaints

Public feedback mechanisms are a core part of demonstrating good governance and organisational culture. The council operates a formal, two stage, Corporate Complaints Policy, which has been developed in line with the requirements of the Local Government and Social Care Ombudsman. The policy is currently under review to ensure it remains fit for purpose. Alongside the policy review, our internal reporting and monitoring processes are being reviewed to better support transparency and identify learning.

Common themes identified for complaints received during 2025/26 are outlined below:

- Customer service, complaint handling and trust
- Perceived unfairness and bias
- Dissatisfaction with operational services

An annual complaints monitoring report is presented to the [Corporate Performance Panel \(CPP\)](#).

Local Government and Social Care Ombudsman (LGSCO)

The LGSCO consider complaints that have already been through the Council's internal process and where the complainant remains dissatisfied. The Ombudsman's decision notices are published publicly, and any cases that have been escalated to the Ombudsman are reported via the annual complaints monitoring report presented to [CPP](#).

Overall Assurance and assessment of effectiveness

The Governance Framework as set out within the AGS has operated as expected, with any areas for improvements identified in the action plan.

The review of the assurance statements demonstrates a generally sound governance framework, with strong transparency, ethical foundations, and financial control. The main corporate risks stem from inconsistent application and evidence, rather than absence of controls—particularly in action planning, risk management, governance awareness, and audit closure.

Taken together, the assurance statements demonstrate that the Council has a generally sound system of governance, with strong foundations in transparency, ethical standards, financial control, and statutory compliance.

The principal corporate risks do not arise from the absence of controls, but from:

- inconsistent implementation and documentation;
- reliance on informal knowledge rather than systematic assurance;
- variable maturity across services in planning, risk, performance, and audit follow up.

With targeted corporate action—particularly around constitutional awareness, Action Planning, risk management, DPIA use, Business Continuity Planning, and audit closure—the organisation is well placed to strengthen assurance and demonstrate continued improvement in future AGS cycles.

The following table provides a structured summary of the Council’s review of effectiveness for 2025/26, setting out the key governance components, the assurance sources available, and the overall assessment of how well each element operated during the year. Those in **bold text** have been assessed as a ‘significant governance issues’.

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – reference number
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	<ul style="list-style-type: none"> • Officer Code of Conduct • Member Code of Conduct • Constitution • Statutory Officers • Standards Committee • Register of Interest • Equality Policy • Anti-fraud and Anti-corruption policy documents • Whistleblowing policy • HR policy documents • Gifts & Hospitality Register • Corporate Complaints Policy • Annual Corporate Complaints report (incl FOIs, DP requests and compliments) • Enforcement Policy • Procurement and Contract Management Strategy • Contract Standing Orders 	<ul style="list-style-type: none"> • Monitoring Officer / Statutory Officer oversight • Whistleblowing activity reports • Code of Conduct activities and reports • Standards committee reports • Fraud risk assessment and activities • HR disciplinary and grievance data • Internal & external Audit reports • Training and development records • Policy library • Scrutiny committee reports • Audit committee reports • Procurement reports and activities 		<ul style="list-style-type: none"> • Inconsistent staff awareness of the Constitution, scheme of delegation, anti-fraud and anti-corruption arrangements, whistleblowing, and registers of interests, particularly in operational and project based services. • Lack of Governance Dashboard reporting – collective oversight ‘health check’ 	1.1 1.2 1.3

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – reference number
B. Ensuring openness and stakeholder engagement	<ul style="list-style-type: none"> Recording decisions Council body forward plans Council body agendas Council website Transparency/open data Corporate Performance YouTube channel Stakeholder meetings – CEO Consultations Resident newsletter Communication and Engagement Strategy 	<ul style="list-style-type: none"> Publication scheme compliance Published committee agendas and minutes Livestreamed / recorded Member meetings Information Governance compliance reports Monitoring / Statutory Officer oversight FOI/EIR performance reports Consultation and engagement activities and reports Scrutiny committee oversight Resident feedback and complaints reports Internal Audit reports Resident and staff engagement / satisfaction surveys 		<ul style="list-style-type: none"> Limited engagement is reported in some internal or technical services, but this reflects service remit rather than control failure. No significant systemic weaknesses identified. 	
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.	<ul style="list-style-type: none"> Corporate Strategy Annual plan Corporate Performance Policy framework Corporate Equalities Working Group White Ribbon steering group Audit committee Member working groups 	<ul style="list-style-type: none"> KPIs Corporate Performance monitoring reports EDI activities EIA reports White Ribbon activities Cabinet reports Medium Term Financial Strategy Internal Audit reviews Resident feedback 		<ul style="list-style-type: none"> Sustainability and environmental impacts not always clearly articulated outside specialist services Social Value Framework and monitoring mechanisms are not established 	3.1 3.2 3.3
D. Determining interventions, necessary to optimise the achievement of the intended outcomes.	<ul style="list-style-type: none"> Medium Term Financial Plan Budget planning Consultations and feedback Socia Value policy and framework Transformation programme 	<ul style="list-style-type: none"> Budget monitoring Programme and projects oversight Risk management reports Statutory Officer oversight and guidance Corporate planning 		<ul style="list-style-type: none"> Performance measures are not consistent across the organisation, especially in services that are not statutory or are project-based, 	4.1 4.2

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – reference number
	<ul style="list-style-type: none"> • Corporate Performance • Performance and Risk Management System • Risk registers • Consultations, surveys and feedback 			<p>which makes it harder to track progress consistently.</p> <ul style="list-style-type: none"> • Corporate planning framework exists, but it is used inconsistently. • Limited staff awareness of the Forward Plan and reporting schedules. • Social Value Framework needs to be fully developed and embedded 	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.	<ul style="list-style-type: none"> • Internal Audit • Assurance Statements • Delegations • Staff and member training and development packages • Consultation and survey results 	<ul style="list-style-type: none"> • Training and development records • Appraisals • Management development programmes • Internal Audit reports of workforce and capacity • HR metrics – sickness absence, turnover, vacancy rates, recruitment performance, agency spend • H&S and wellbeing report • EDI monitoring • OD plans and oversight • CPP reports • Statutory Officer oversight • Staff feedback 		<ul style="list-style-type: none"> • Inconsistent delivery and quality of 1:1s, especially in operational or casual staffing environments • Partial completion of statutory training in some services – some staff may not be aware of the training that is required • Job descriptions not always updated promptly during periods of organisational change. • Some services continue to experience challenges in recruitment, retention, and capacity • Variability in the application of project management standards 	5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – reference number
F. Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> • Risk Management Strategy and Policy • Corporate Management System • Risk Registers • Risk implications embedded within cabinet reports • Audit Committee – Terms of Reference, forward work plan and reports • Quarterly performance monitoring and reporting • Post-project review process • Financial regulations, strategies and processes • Budget monitoring • Risk based Internal Audit planning • Annual Governance Statement • Information Governance policies and processes 	<ul style="list-style-type: none"> • Risk Management reports • Performance management reports • Internal audit reports • External audit reports • Financial oversight • Scrutiny committees • Audit committee • Counter-fraud and NFI outcomes • H&S compliance • Information Governance compliance • Statutory Officer oversight • Post-project evaluations and PMO reports 		<ul style="list-style-type: none"> • Inconsistent ownership and updating of service level risk registers • Limited routine consideration of Data Protection Impact Assessments outside specialist teams • Information Governance and Cyber Security Resilience • Gaps in Business Continuity Planning for some non-critical services; • Uneven application of the Project Management Framework • Health and Safety audit outcomes • A small but persistent number of outstanding internal audit recommendations • Financial Sustainability and Medium-Term Budget Pressures • The evolving cyber threat landscape • Non-compliant procurement spend 	6.1 6.2 6.3 6.4 6.5 6.6 6.7 6.8 6.9 6.10 6.11 6.12 6.13 6.14 6.15 6.16
G. Implementing good practices in transparency, reporting, and audit to deliver	<ul style="list-style-type: none"> • Corporate Performance Framework • Transparency data • Statement of Accounts 	<ul style="list-style-type: none"> • Internal Audit annual opinion • Annual Governance Statement • Transparency publications 		<ul style="list-style-type: none"> • Uneven maturity of performance reporting, particularly in operational and project-based services 	7.1 7.2 7.3

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – reference number
effective accountability	<ul style="list-style-type: none"> • Annual Governance Statement • Pay Policy Statement • Statutory Officers • External Audit plan and reports • Audit Committee • Policy review and development panels • Corporate Complaints annual monitoring report 	<ul style="list-style-type: none"> • Internal & External Audit reports • Financial statements and reports • S151 Officer assurance • Monitoring Officer assurance • Complaints, Ombudsman reports • Information governance reports and reviews • Risk reporting 		<ul style="list-style-type: none"> • Fragmented or developing KPI frameworks • Outstanding or unclear internal audit recommendations in a few services • FOIs and EIAs not currently published 	

Our assessment of effectiveness also includes outcomes from the work of internal audit, external assurances (where applicable) and external audit.

Internal Audit

Annual Opinion

The Head of Internal Audit Opinion will be added to the final Annual Governance Statement following approval by the Audit Committee.

External Assurance

Governance of the Council is monitored by external organisations as well as the internal governance monitoring and controls in place.

During 2025/26 the council commissioned Bureau Veritas to assess out health & safety practices in order to offer a constructive picture of the council's position in this regard. The review concluded that many teams demonstrate good practice, strong teamwork and genuine care for safety. However the current health & safety system is under strain due to inconsistent processes and historic ways of working that has created gaps that need to be coordinated and given organisation wide attention, The report concluded that the challenge is not lack of willingness, but a lack of consistent structure, capacity & communication, but noted that the leadership intent is positive and there is a clear ambition to modernise service and improve outcomes.

This review has provided the council with a detailed action plan, covering a period of 18 months which will ensure appropriate action is taken and risks are mitigated appropriately. This action plan is monitored through the Health and Safety Board which meets on a monthly basis.

This issue has been assessed as a 'significant governance issue'.

External Auditors

The Council's external auditors are responsible for providing independent assurance on the Council's financial statements and wider arrangements. External audit reports are presented to the Audit Committee ensuring appropriate Member oversight and enabling any significant findings or concerns to be considered within the Council's governance framework.

The Council's appointed external auditors, Ernst & Young (EY), undertake an independent audit of the financial statements and provide an opinion on whether they present a true and fair view of the Council's financial position. In addition, EY assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. In forming their conclusions, EY take account of statutory requirements, national standards, their own audit work and, where appropriate, the findings of Internal Audit.

The most recent auditor's report covering the financial year ended 31 March 2025 was issued on 26 February 2026 following a draft version being reported to [Audit Committee on 17 February 2026](#). The auditors issued a disclaimer of opinion on the financial statements, reflecting that they were unable to obtain sufficient appropriate audit evidence due to ongoing audit backlog issues, delays in the provision of supporting information and the impact of prior year disclaimers.

The auditors also confirmed that disclaimer opinions had been issued for the financial years ended 31 March 2021 to 31 March 2024, and highlighted that ongoing operational and resource challenges, together with delays in financial statement preparation, have affected the timeliness and quality of the Council's accounts.

As part of their consideration of arrangements for securing economy, efficiency and effectiveness, the auditors identified a significant weakness in the Council's governance arrangements relating to the preparation of the Statement of Accounts and the provision of high-quality supporting working papers.

The position reflects the broader national context, where a significant backlog in local authority audits had developed. Nationally, the use of disclaimer opinions for earlier years has been part of a wider approach to restore timely assurance on more recent financial statements.

In response to the findings raised by the external auditors, the Council is progressing a programme of improvement focused on strengthening its financial reporting arrangements. This includes enhancing the quality and timeliness of the Statement of Accounts, improving supporting working papers, and ensuring that audit evidence is provided in line with agreed standards and timescales. Capacity and capability within the finance function has also been reviewed and strengthened to support these improvements.

How the overall opinion (of assessment of effectiveness) has been agreed

The council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the council's Code of Corporate Governance and aligned with the CIPFA/SOLACE

Delivering Good Governance in Local Government Framework 2016, and the subsequent May 2025 addendum.

Effectiveness is assessed through a review of Assurance Statements submitted by all service areas over the 2025–26 period, supplemented by detailed evaluations of specific aspects of the Governance Framework. This review also takes account of the conclusions reached by other parties such as internal and external audit.

Significant Changes and Areas for Improvement

For this AGS, ‘significant governance issues’ has been defined as those issues that create a risk to the Council’s ability to achieve our priorities, comply with the law, safeguard public money, or maintain effective governance.

Updates will be reported in the next Annual Governance Statement, with any unresolved issues carried forward.

Identified issues during 2025/26, to be addressed in 2026/27	Evidence / rationale
Principle D: Consistency of Performance Management and KPI Frameworks	The review identified inconsistent use of performance measures across some service areas, particularly non-statutory and project-based services. This limits the Council’s ability to monitor outcomes consistently and take timely corrective action.
Principle E: Workforce Capacity and Statutory Training Compliance	Some services continue to experience challenges in recruitment, retention, and capacity, which affects resilience and service delivery. In addition, statutory training compliance is not yet consistent across all areas, with partial completion or unclear interpretation in some teams.
Principle F: Financial Sustainability and Medium-Term Budget Pressures	The Council continues to face significant financial pressures arising from demand-led services, inflationary impacts, and uncertainty in national funding. These pressures present a risk to the long-term sustainability of the Medium-Term Financial Strategy. Strengthening financial resilience remains a corporate priority, supported by enhanced budget monitoring, savings tracking, and scenario planning.
Principle F: Strengthening Programme and Project Governance	The review highlighted variability in the application of project management framework. This creates risks to delivery, cost control, and the achievement of intended outcomes.
Principle F: Information Governance and Cyber Security Resilience	The Council continues to strengthen its information governance arrangements, but the evolving cyber threat landscape requires ongoing improvement. Work is progressing to enhance cyber controls, staff awareness, and incident response capability. This

	remains a significant issue due to the potential impact on service continuity and data protection.
<p>Principle F:</p> <p>Non-compliant procurement spend. Instances where procurement activity did not fully comply with the Council's Contract Standing Orders or national procurement regulations</p>	The identification of non-compliant spend can represent a significant governance issue due to the fundamental role Contract Standing Orders (CSOs) play within the Council's internal control environment. CSOs are a key mechanism for ensuring transparency, fairness, value for money, and protection against fraud and corruption. Non-compliance can therefore, indicates a breakdown in established governance controls.
<p>Principle F:</p> <p>Health and Safety</p>	Inconsistent compliance with health & safety and cross-cutting control weaknesses limits the Council's ability to provide robust assurance on this significant issue. This is a significant issue due to the potential issues of employee safety, service delivery, and organisational reputation if not addressed.

Action plans to address these in the coming year

Actions identified through within this AGS and wider assurance activity will be monitored throughout 2026/27 through the Council's established governance and performance framework. Progress will be reviewed regularly by senior management and the Corporate Leadership Team, with regular performance reports presented to the audit committee. Each action has a named lead officer ensuring that improvements are tracked transparently and that any delays or emerging risks are escalated promptly. This approach provides ongoing assurance that governance improvements remain on track and that the Council continues to strengthen its overall control environment.

The actions that have been identified as 'significant governance issues' within this AGS that will be progressed throughout 2026/27 are included at Appendix 2. The review also highlighted a number of operational areas that require improvement, these will be addressed within a separate, operational action plan.

Governance Outlook

The Council remains firmly committed to maintaining governance arrangements that are robust, transparent, and responsive to the evolving environment in which we operate. Looking ahead, we recognise the need for governance that is not only compliant but genuinely fit for purpose—capable of supporting effective decision-making, safeguarding public value, and enabling continuous improvement. We will embed our assurance statement process, and ensuring that our structures, policies, and behaviours remain aligned with best practice.

Over the coming year, we will continue to review and strengthen our systems of control, risk management, and assurance so that our governance remains fit for purpose in a changing landscape.

Local Government Reorganisation

The forthcoming Local Government Reorganisation (LGR), including the establishment of the shadow unitary authority in May 2027, culminating in Vesting Day on 1 April 2028, represents a major transition for the sector and for our organisation. Over the coming year, we will continue to strengthen our governance framework so that it remains resilient, future-focused, and capable of supporting effective decision-making throughout the reorganisation process.

LGR brings unavoidable risks as the Council must deliver major structural change while continuing to provide reliable day-to-day services. The scale of transformation may place pressure on capacity and established processes, so maintaining strong oversight and protecting business-as-usual performance will remain essential throughout 2026/27.

We will continue to invest in strong leadership, clear accountability, and a culture of integrity, ensuring that our governance remains resilient, future-focused, and able to meet the challenges and opportunities ahead.

New and Emerging Legislative Changes

Looking ahead to 2026/27, several pieces of new and emerging legislation will have a direct impact on the Council's governance, assurance and service-delivery arrangements.

Forthcoming changes—including updates to procurement regulations under the Procurement Act, strengthened duties relating to data protection and digital information, and evolving requirements linked to environmental and climate-related reporting—will require the Council to review and adapt its governance framework, policies and assurance processes.

The Council will continue to monitor these developments closely and ensure that governance frameworks, policies and assurance processes are updated to maintain compliance and support effective implementation.

Other anticipated legislative changes include:

- The Overnight Visitor Levy Bill
- The Social Housing Renewal Bill
- The Education for All Bill
- The Representation of the People Bill
- The Police Reform Bill
- The NHS Modernisation Bill
- The Digital Access to Services Bill
- The Public Office (Accountability) Bill
- The Draft Taxi and Private Hire Vehicle Bill
- The Armed Forces Bill

Cyber Security

The cyber threat landscape is becoming increasingly sophisticated, with councils facing more frequent and targeted attempts to disrupt systems or access sensitive data. Strengthening

cyber resilience will remain a priority for 2026/27, with continued investment in security controls, staff awareness and incident-response capabilities to ensure our systems and services remain protected.

Conclusion

In conclusion, the Council remains committed to maintaining high standards of governance, transparency and accountability. The actions set out in this Statement will be taken forward and monitored throughout 2026/27 to ensure continuous improvement in our governance arrangements. The Council is satisfied that, overall, its systems of internal control and governance remain robust, and it will continue to strengthen these arrangements in response to emerging risks, legislative changes and organisational developments.

This Statement has been approved by the Leader of the Council, the Chair of Audit Committee and the Chief Executive, who are satisfied that it accurately reflects the governance position for the year and the improvement actions required for the period ahead

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Appendix 1 : Progress of 2024/25 actions

AGS Action	Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?	
1	Introduction of climate change decision making impact assessment	To demonstrate how a project/initiative will affect people and the environment	<p>Senior management capacity to lead this work following departure of key senior officer.</p> <p>Local Government Reorganisation activities adding to capacity challenges</p>	<p>Options report considered by Senior Leadership Team on 3 December 2024. Assistant Director nominated to lead development but subsequently left the organisation.</p> <p>Following staffing changes in Corporate Governance, further work undertaken to develop an impact assessment tool. Report considered by Corporate Leadership Team in March 2026.</p> <p>Tool being refined and tested with report authors. Feedback and recommendations to be presented to Corporate Leadership Team, Dec 2026</p>	No, now BAU
2	Refresh and extend equalities training provision for staff. To ensure current practice reflects recommended best practice, both in terms of service delivery and as	A subgroup of the equalities working group will progress this action. Training for managers will commence as part of a new practical management passport programme rolled out	<p>Management capacity to lead this work and operational capacity to deliver.</p> <p>Staff changes.</p> <p>Local Government Reorganisation activities</p>	<p>Wider EDI work continued to progress via the Corporate Equalities Working Group.</p> <ul style="list-style-type: none"> • The council was awarded Disability Confident status in April 2025. • Signing of Unison's anti-racism charter. • Achieving White Ribbon 	No, now BAU

AGS Action		Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
	people managers	in May 2025. Training will also be implemented to support new policy. Work to support care leavers has been progressed and will be subject to further review during 25/26	adding to capacity challenges	<p>Accreditation.</p> <ul style="list-style-type: none"> • Submitting our application to the Ministry of Defense for 'Gold' accreditation status with the Armed Forces Covenant Employer Recognition Scheme. • The establishment of our Dyslexia Peer to Peer Support Group. • Launch of Menopause awareness workshops and the development and implementation of a Menopause support booklet, action plan and risk assessment. • The adoption of Unison's Sexual Harassment at Work Policy, preventing sexual harassment training was delivered to managers. • EDI training was embedded within the managers passport training <p>A defined eLearning package is currently under development.</p>	

AGS Action		Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
3	Develop our local offer for care leavers – to be progressed by the care leavers working group	To demonstrate the council's commitment to care leavers and the care leaver covenant	<p>Management capacity to lead this work and operational capacity to deliver.</p> <p>Local Government Reorganisation activities adding to capacity challenges</p> <p>Limited to no engagement with care leavers.</p>	None.	
4	Project management	A project maturity assessment identified the need for a PMO to principally support the major capital projects/programmes to provide oversight, alignment and control	Initial delays in proceeding with intended recruitment.	PMO team of 5 FTE in place with effect from September 2025. 1 FTE utilised 100% on LGR readiness at that point. Remainder of team supporting major capital projects / programmes including the Transformation Programme. No further action required.	No, now BAU
5	Capital programme governance arrangements to be reviewed and embedded across the organisation	The processes around new additions, monitoring and reporting against projects needs enhancing to ensure that reporting is focussed on live projects, and there is clear oversight of the	None	The Capital Project Framework adopted a tiering approach to categorisation in its Capital Strategy approved by Council in February 2024. The process was embedded during 2025/2026 as demonstrated through Members Major Projects Board, Quarterly Budget Monitoring	No, now BAU

AGS Action	Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?	
		pipeline of supported projects coming forward, and the associated capital and revenue implications are known		Reports to Cabinet and updates on Council Borrowing in Treasury Management reports to Audit Committee.	

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Appendix 2: 2025/26 Actions

Principle	Issues/Challenges Identified	Ref	Action	Lead Officer
D	Determining the interventions necessary to optimise the achievement of intended outcomes			
	Inconsistent application of performance measures and corporate planning	1.1	<ul style="list-style-type: none"> Develop and implement a single, council-wide performance and corporate planning framework with defined KPIs, consistent definitions and clear ownership to ensure all services measure performance in the same way. 	Chief of Staff
E	Developing the entity's capacity, including the capability of its Leadership and individuals within it			
	Partial completion of statutory training in some services – some staff may not be aware of the training that is required	2.1	<ul style="list-style-type: none"> Develop training based on role and define the training requirements for that specific service and roles 	Assistant Director Corporate Services
		2.2	<ul style="list-style-type: none"> Ensure staff are encouraged to undertake training that has been identified as statutory 	
		2.3	<ul style="list-style-type: none"> Ensure HR systems enable completion tracking and necessary escalations 	
	Some services continue to experience challenges in recruitment, retention, and capacity	2.4	<ul style="list-style-type: none"> Ensure HR Business Partners are fully embedded with service areas and are adequately equipped to support managers to address these challenges 	
Managing risks and performance through robust internal control and strong public financial management				
F	Information Governance practices require improvement	3.1	<ul style="list-style-type: none"> Roll out of mandatory Data Protection Essentials module 	Data Protection Officer
		3.2	<ul style="list-style-type: none"> Development of 'bitesize' data protection 'deep dive' modules 	
		3.3	<ul style="list-style-type: none"> Adoption and roll out of revised Data Protection Policy 	
		3.4	<ul style="list-style-type: none"> Embedding of Information Governance Leads 	

Principle	Issues/Challenges Identified	Ref	Action	Lead Officer	
		3.5	<ul style="list-style-type: none"> Roll out of Corporate Management System (CMS) 		
		3.6	<ul style="list-style-type: none"> Delivery of the Data Governance Framework Programme 		
		3.7	<ul style="list-style-type: none"> Ensure clear escalation routes are in place 		
		Financial Sustainability and Medium-Term Budget Pressures	3.8	<ul style="list-style-type: none"> The budget setting timetable, to include review, development and monitoring of cost management and income generation activities. Heightened monitoring of in year forecasting to ensure that potential overspends include, documentation of escalation, consideration and mitigation. 	Deputy Chief Executive (Section 151 Officer)
		Variability in the application of project management framework	3.9	<ul style="list-style-type: none"> Establish clear expectations for the application of the project management standards 	Assistant Director Corporate Services
	3.10		<ul style="list-style-type: none"> Ensure expectations are clearly communicated and templates and guides are easily accessible 		
		The evolving cyber threat landscape	3.11	<ul style="list-style-type: none"> Increase staff awareness – deliver targeted mandatory cyber security training 	Deputy Chief Executive (Section 151 Officer)
	3.12		<ul style="list-style-type: none"> Strengthen Information Governance by delivering the proposed Data Governance Framework Programme 		
	3.13		<ul style="list-style-type: none"> Update associated ICT policies in line with revised Data Protection Policy 		
		Non-compliant procurement spend.	3.14	<ul style="list-style-type: none"> Procurement team to engage with high risk service areas in order to understand root causes 	Assistant Director Finance (Deputy Section 151 Officer)
	3.15		<ul style="list-style-type: none"> Strengthen monitoring of procurement activity, including regular reporting on non-compliant spend to senior management 		

Principle	Issues/Challenges Identified	Ref	Action	Lead Officer
		3.16	<ul style="list-style-type: none"> Implement the resulting actions from the review of non-compliant spend and strengthen controls in this area 	
	Health and Safety audit outcomes	3.17	<ul style="list-style-type: none"> Implement and monitor the actions resulting from the external review of health and safety 	Assistant Director (Health, Wellbeing and Public Protection)

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



POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	15 June 2026		
TITLE:	Corporate Risk Management Report		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Leader of the Council		
REPORT AUTHOR:	Debbie Ess – Senior Corporate Governance Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

Corporate Risk Management Report

PURPOSE OF REPORT/SUMMARY:	
The Corporate Risk Management Report provides members with an overview of the current position of the corporate risk register.	
KEY ISSUES:	
As part of the review of the corporate strategic and operational risks, the Executive Leadership Team reassessed risk R6 (Data Management) and risk R19 (Cybersecurity). These risks, previously discussed with members in March, have now been confirmed as two distinct risks to be included within the register.	
R6 Data Management	New score 16
R19 Cybersecurity	New score 12
It has also been agreed to remove risks R8 Reputation Management and R14 Cost of living from the corporate risk register.	
OPTIONS CONSIDERED:	
Not applicable.	
RECOMMENDATIONS:	
Members are requested to note the update to the corporate risk register.	
REASONS FOR RECOMMENDATIONS:	
In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.	

1 Introduction

- 1.1 The Risk Management Policy and Strategy covering this reporting period was reviewed by Audit Committee and Cabinet prior to Full Council approval in January 2026.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk.
- 1.3 This update provides information about a variety of matters in the council's risk environment.

2 Review of the corporate risk register

- 2.1 This report presents the current status of the council's strategic and operational risks as of June 2026. These overarching risks that may affect the strategic direction of the council have been reviewed and updated by the Executive Leadership Team.
- 2.2 Following the service restructure in April, risk ownership has been updated to reflect the realignment of service areas across the Executive Leadership Team.

Executive Leadership Team	Risks relating to
Chief Executive Officer	Devolution
Deputy Chief Executive & Section 151 Officer	Finance, Environment, Planning and Property
Chief of Staff & Monitoring Officer	Corporate Services, Health, Wellbeing, Public Protection, LGR, Legal, Governance, Democratic and Electoral services
Chief Operating Officer	Regeneration, Housing, Place, Operations, Commercial, Leisure and Culture

- 2.3 A summary of the key changes:

- a. **R6 Data Management** - Risk of deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation. R6 was reviewed as a new distinct risk with a score of 16, an increase from 12 as previously reported.

The Information Governance Leads for each service area have been allocated and this virtual group will now be working across governance initiatives for their service areas to improve the control environment.

The Record of Processing Activity and Information Asset Registers are being compiled for all service areas to ensure that we meet our legal requirement under UK GDPR legislation. Mandatory Data Protection training has been rolled out on the corporate Learning Management System for all staff, and training is being developed for members. There has been work on work on VEEAM (for data storage management), with a view to this improving our Disaster Recovery capability.

- b. **R19 Cybersecurity** – Failure to protect the council’s systems, networks and digital services from cyber threats, leading to unauthorised access, disruption, or compromise of systems and data. R19 was reviewed as a new distinct risk with a score of 12.
The council continues to strengthen cybersecurity with enhanced monitoring across systems, and the installation of technology that continuously views suspicious activity providing 24/7 expert oversight to quickly identify and respond to potential threats.
- c. **R8 Reputation Management** – Reputation is managed indirectly through strengthening governance and behaviours, and is inherent in the way we manage and consider all risks on the register. Therefore, this is embedded in other risk categories and will be removed from the register.
- d. **R14 Cost of Living** – Whilst the impact of cost of living pressures on communities and business have not diminished, the work of the council to support residents is established within teams. Responsibility for delivering the new Crisis Resilience Fund (formerly Household Support Fund) is with Norfolk County Council, and as no funds are being distributed via the council this risk will be removed from the register. Any relevant action from a corporate perspective is covered under corporate risk R1 Financial Sustainability.
- e. **R20 St James Swimming pool closure** - A new strategic risk concerning the potential unplanned closure of the St James Swimming Pool has been identified, driven by structural viability and operational continuity concerns, as well as project alignment timescales for a decision on the new Aquatic Centre progression at Lynnsport. This risk is currently being developed and evaluated, and a full assessment will be integrated into the next corporate reporting cycle scheduled for August 2026.

2.4 The Council’s risk scoring mechanism is based on a 5x5 matrix and is comparable with best practice in other similar organisations. The risk matrix provides a comprehensive assessment and understanding of risk likelihood and impact. The matrix results in a numerical score that combines the impact of the risk occurring with the likelihood of it happening.

IMPACT

Risk Scoring Matrix		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Extreme
LIKELIHOOD	5 Almost Certain	G	A	R	1, 4, 16 R	R
	4 Likely		G	A	6 R	18 R
	3 Possible		G	G	2, 3, 5, 7, 9, 10 11, 13, 17, 19 A	R
	2 Unlikely			G	12 G	A
	1 Rare					G

2.5 An updated strategic and operational risk summary is available at Appendix A, providing members with an overview of the corporate risk register.

3 Corporate Priorities

3.1 The Corporate Risk Register is aligned with the Corporate Strategy 2023-2027 agreed in November 2023, and the 2025-2027 Action Plan adopted in July 2025.

4 Policy Implications

4.1 The updated register reflects emerging policy development related to Local Government Reorganisation and Devolution.

5 Financial Implications

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

6 Personnel Implications

6.1 None.

7 Statutory Considerations

7.1 Account and Audit Regulations 2015 - s3(c) and the Accounts and Audit (Amendment) Regulations 2024. The council must ensure that it has 'effective arrangements for the management of risk'.

8 Equality Opportunity Considerations

8.1 None

9 Risk Management Implications

- 9.1 The council has in place a Risk Management Policy and Strategy.
- 9.2 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 Corporate Leadership Team to help manage risk across the authority and is a key document within the governance controls applied within the council.

10 Environmental Implications

- 10.1 The risk register includes a number of climate change and environmental risks such as risks R5 - Continuity of service and R10 - Climate change mitigation and adaptation.

11 Recommendations

- 11.1 Members are requested to note the report.

12 Declarations of Interest / Dispensations Granted

- 12.1 None.

Strategic Risk Summary

Ref	Risk title and description	Risk Owner	Target Risk Score	Previous Risk Score	Current Risk Score	Risk Direction
R1	Financial sustainability Inability to manage the council finances and mitigate reduced financial resilience as government funding reduces and demand increases.	M Drewery	12	20	20	↔
R2	Significant programmes/projects Impact on the delivery of council services caused by the failure of a major programme or project. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.	E Kavanagh	6	12	12	↔
R3	Facilitating and enabling growth The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.	E Kavanagh	9	12	12	↔
R8	Reputation management The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver the corporate strategy.	E Hodds	REMOVE			
R10	Climate change mitigation and adaptation Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.	M Drewery	9	12	12	↔
R15	Devolution Impact of the Devolution process, particularly on access to investment / support, and ability to have a meaningful role in shaping the new Strategic Authority.	K Blakemore	12	On hold	On hold	
R16	Local Government Reorganisation Impact of Local Government Reorganisation, particularly capacity, ability to deliver "business as usual" services, staff recruitment and retention, resource availability and ability to take long-term decisions. The long-term impact of implementing Local Government Reorganisation which could result in reductions in service and service standards for residents and businesses.	E Hodds	12	20	20	↔

Operational Risk Summary

Ref	Risk title and description	Risk Owner	Target Risk Score	Previous Risk Score	Current Risk Score	Risk Direction
R4	Community Cohesion The risk that some communities within the borough could feel excluded, disengaged or unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health, wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of a global pandemic on BCKLWN communities.	E Hodds	12	20	20	↔

Ref	Risk title and description	Risk Owner	Target Risk Score	Previous Risk Score	Current Risk Score	Risk Direction
R5	Continuity of service The council's inability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.	M Drewery	6	12	12	↔
R6	Data management Risk of deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.	E Hodds	8	12	16	↑
R7	Corporate Governance The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.	E Hodds	6	12	12	↔
R9	Organisational change Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.	E Hodds	6	12	12	↔
R11	Statutory compliance Risk of failing to implement and maintain statutory compliance management systems. E.g. health and safety, service related legal obligations	E Hodds	6	12	12	↔
R12	Council owned companies Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.	E Hodds	6	8	8	↔
R13	Contract/Supply failure Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	M Drewery	6	12	12	↔
R14	Cost of living The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.	E Hodds	REMOVE			
R17	H&S Compliance of Property Assets Non-compliance could result in service disruption, increased costs, or risk to staff and public safety. The council must demonstrate compliance in the property portfolio across all the council's property assets irrespective of service area for the core H&S areas: fire, gas, legionella, lifts, asbestos, electrical testing (fixed and PAT). This also needs to include vacant properties, green space and partnership working.	M Drewery	9	12	12	↔
R18	Hunstanton sea defences Significant capital works are required to be undertaken to the Hunstanton sea defences to maintain the existing flood defences to prevent failure	M Drewery	6	20	20	↔
R19	Cybersecurity Failure to protect the council's systems, networks and digital services from cyber threats, leading to unauthorised access, disruption, or compromise of systems and data.	E Hodds	12		12	

IMPACT

LIKELIHOOD

Risk Scoring Matrix		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Extreme
5	Almost Certain	G	A	R	R 1, 4, 16	R
4	Likely		G	A	R 6	R 18
3	Possible		G	G	A 2, 3, 5, 7, 9, 10 11, 13, 17, 19	R
2	Unlikely			G	G 12	A
1	Rare					G

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High 15-25	Risks scored at this level represent a high threat to the delivery of council objectives and service delivery and should be treated as a priority, action is required to reduce the rating to a score within tolerance or removed. Reporting on progress will be required to CLT/ Audit Committee/Cabinet until risk level is reduced to tolerance.
Medium 10-12	Risks scored at this level represent a medium threat to the delivery of council objectives and service delivery, proportionate mitigation and regular monitoring required. These risks can be managed at operational/service level but regular management review of assurance on control effectiveness should occur. Routine reviews should also be carried out to ensure there is no change.
Low 5-9	Risks scored at this level represent a low threat to the delivery of council objectives and service delivery. Review required to ensure risk score does not change/increase, however these risks can be managed operational/service level.
Very Low 0-4	Risks scored at this level represent an insignificant threat to the delivery of council objectives and service delivery. No further action is required.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	15 June 2026		
TITLE:	Progress Report 2025/26		
TYPE OF REPORT:	For Information		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
KEY ISSUES:
The current position in relation to the completion of the Internal Audit Plan 2025/26 is shown within the attached report.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Audit Committee are requested to receive the Progress Report on internal audit activity.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out progress with completing the 2025/26 Internal Audit Plan.

3. Issues for the Audit Committee to Consider

Members should note progress with completing the Internal Audit Plan and the report executive summaries within. The only audit not completed in 2025/26 is the Contract Management audit which is still in progress and the outcome will inform next year's annual opinion along with the other audits in 2026/27.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note progress with the 2025/26 Internal Audit Plan and the executive summaries of final reports within.

11. Background Papers

Appendix A – Progress Report 2025/26

EASTERN INTERNAL AUDIT SERVICES



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



BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

PROGRESS REPORT 2025/26

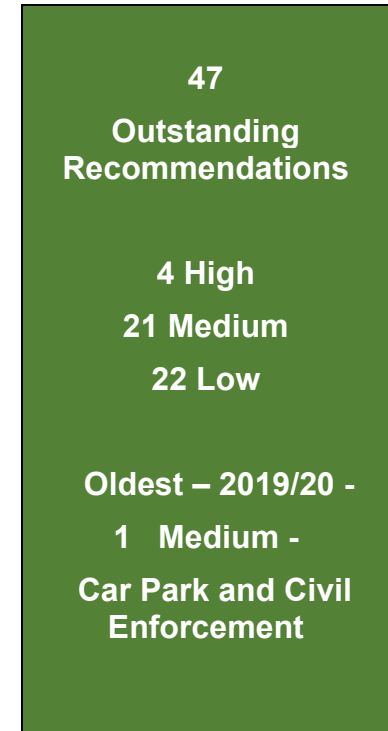
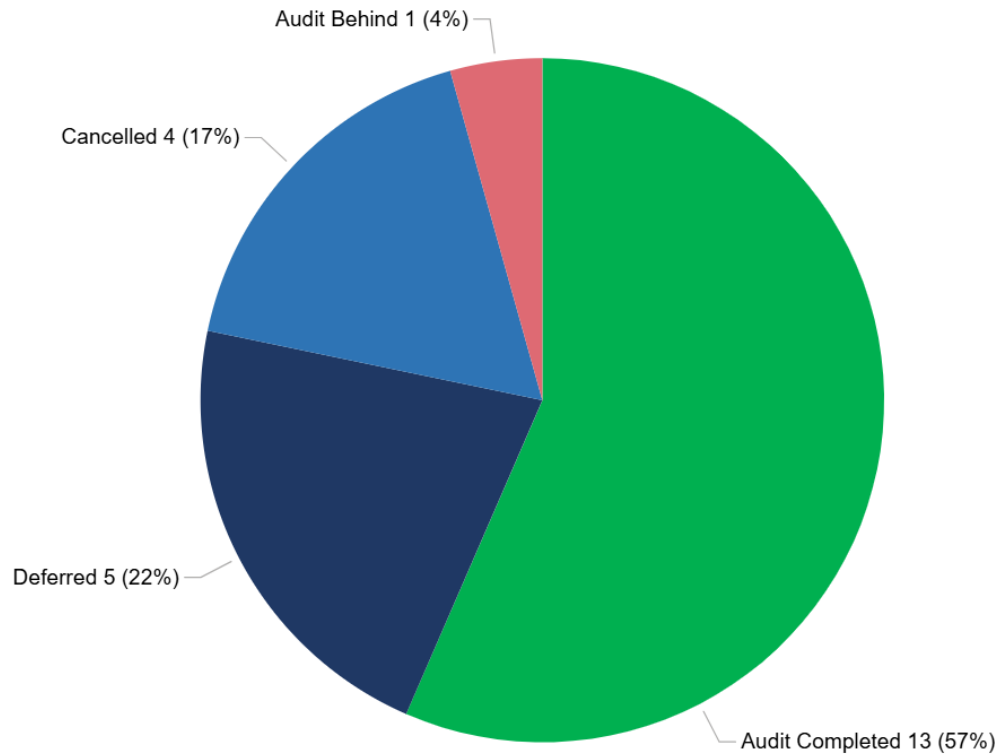
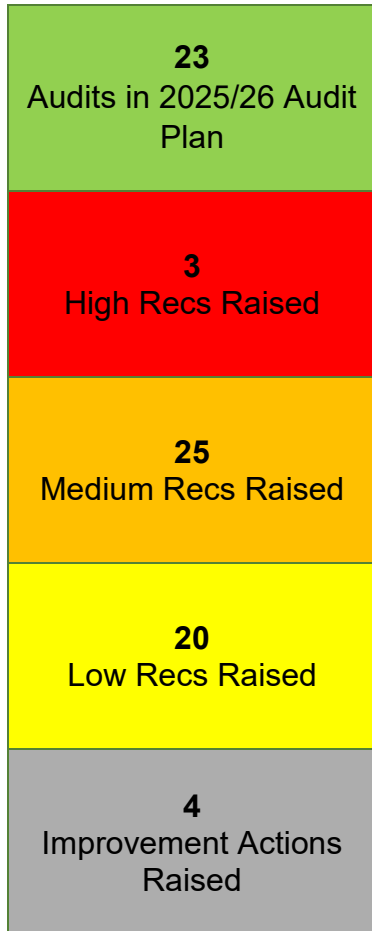
Head of Internal Audit: Teresa Sharman

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Progress at a glance

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Executive Summary

Introduction

Under the Global Internal Audit Standards (GIAS), 'The chief audit executive (Head of Internal Audit) must provide the board with the information needed to conduct its oversight responsibilities.' In particular, 'Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.' and 'The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.'

Under the Committee's terms of reference, the Committee should receive updates on the work of internal audit, including key findings, issues of concern and action in hand from internal audit work and consider summaries of specific internal audit reports.

This report is to assist the Committee in discharging its responsibilities in relation to internal audit activity.

Background

The role for the Head of Internal Audit is provided to the Council by South Norfolk Council through Eastern Internal Audit Service (EIAS), a partnership arrangement which provides internal audit services to the district councils for Breckland, Broadland, North Norfolk, South Norfolk, Norwich City Council, Great Yarmouth Borough Council, and the Broads Authority.

The delivery of the internal audit plan for the Council is provided by an in-house team, who report functionally to the Head of Internal Audit and administratively to the Assistant Director - Finance (Deputy S151 Officer), supplemented by the EIAS's contractors, TIAA Ltd, BDO LLP and Hertfordshire County Council's Shared Internal Audit Services.

Internal audit provides an independent and objective opinion on the Council's internal controls by evaluation their effectiveness and operation in practice.

Changes to the 2025/26 Audit Plan

Since the last Progress Report, there has been one change to the Plan as detailed below.

Audit	Nature of the change
Cyber Security	Following the Disaster Recovery audit completed earlier in the year, a 12-month programme of review and solution monitoring was commenced, which includes within its scope the Cyber security mitigations. Therefore, the audit has been postponed avoiding duplication of findings and recommendations.

Progress to date and audit outcomes

Audit Outcomes - Final Reports

During the period, the following final reports have been issued as detailed in the table below. The Executive Summary for final reports issued in the period are provided in at **Appendix 1**, and a full copy of the report can be requested by Members.

Audit	Assurance Level	High Recommendations	Medium Recommendations	Low Recommendations
Access and Asset Management	Reasonable	0	4	3
Key Financial Controls	Reasonable	0	1	3
Alive West Norfolk	Substantial	0	0	2

Audit	Assurance Level	High Recommendations	Medium Recommendations	Low Recommendations
Car Parking - Income Collection	Reasonable	0	4	2
Risk Management	Follow Up	0	0	1
Total		0	9	11

Outstanding Recommendations

The table on the following pages show the total number of recommendations which are past their agreed due date and are still in progress by year and priority rating.

In the table below, the colour of the audit name denotes the overall assurance given. Appendix 3, For Your Information, details the definitions for each assurance opinion and the priority ratings.

As a result of audit recommendations raised, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Team on a regular basis and reported through to the Committee. Verification work is also undertaken for those recommendations that are reported as closed.

Appendix 2 provides the Committee with details of high and medium priority recommendations that are overdue for the year in which they were raised. Management responses and a new deadline, where available, have been indicated for each.

Audit Year	Audit Name	Priority 1	Priority 2	Priority 3	Total
2019/20	Car Park and Civil Enforcement	0	1	0	1
2019/20 Total		0	1	0	1
2022/23	Accounts receivable	0	0	1	1
	Income	0	0	1	1
2022/23 Total		0	0	2	2
2023/24	Capital Programme	1	0	0	1
	Complaints and FOIs	0	2	0	2
	Key Controls & Assurance	0	1	3	4
2023/24 Total		1	3	3	7
2024/25	Accounts Payable	0	0	1	1
	Accounts Receivable	0	0	1	1
	Network Management	0	0	3	3
	Data Protection	0	4	1	5
	Handyperson Service	0	0	1	1
	Section 106 Agreements	0	2	1	3
	Vehicle Fleet	0	2	2	4
2024/25 Total		0	8	10	18
2025/26	Car Scheme Allowance	1	0	0	1
	Climate Sustainability	0	0	1	1

Audit Year	Audit Name	Priority 1	Priority 2	Priority 3	Total
	Community Safety	1	2	0	3
	Disaster Recovery	0	4	1	5
	Property Services	1	3	0	4
	West Norfolk Property Limited and West Norfolk Housing Follow-up	0	0	5	5
2025/26 Total		3	9	7	19
Grand Total		4	21	22	47

Appendix 1 - Final Report Executive Summaries

Access and Asset Management for Starters, Movers and Leavers

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Opinion provided	Reasonable	High recommendations	0	Medium recommendations	4	Low recommendations	3
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Summary of Findings

There are a number of areas within the processing of the access and asset management of starters, movers and leavers within the Authority that require attention by management, such as: -

- Late or missing leaver notifications from line managers resulted in delays in removing system access, with some accounts remaining active long after staff had left; exit checklists are not being completed.
- The ICT Asset Register is poorly maintained, with no updates for leavers or movers and missing key data such as last known user, serial numbers, and reallocation dates.
- Returned IT equipment is not consistently sent to ICT, leading to insecure storage within departments and no assurance that devices are wiped before reissue.
- HR records for movers and leavers are often updated late due to late notification from line managers, including transfer updates and termination forms received after the actual leaving or transfer dates.

Areas of weakness in control design and / or effectiveness:

- ICT requires at least 10 working days' notice of staff leavers to ensure timely removal of system access. Testing of ten leavers identified weaknesses in this process: -

- Four cases where ICT was notified late or not at all by line managers, resulting in system access remaining active well beyond the leaving date.
- Two cases where line managers submitted leavers forms on time, but ICT did not remove system access promptly.
- No evidence that an exit checklist is completed by line managers to confirm system access removal, return of IT equipment, or transfer of knowledge.
- Overall, weaknesses in both notification by line managers and timely action by ICT increase the risk of inappropriate system access being retained after staff leave. (Recommendations 1 & 2)
- The ICT New Starters Form is required to be submitted at least ten working days prior to the new starter's start date. In two of the ten instances reviewed, the line manager submitted the form five working days before the start date. (Recommendation 2)
- For 10 movers reviewed, the HR system was updated after the transfer date in five cases (50%); of these, two were 14 and 17 working days after the transfer date. In the first case, HR stated that it was a secondment rather than a transfer; in the second case, HR received late notice of the transfer from the Service Area. One termination form out of the ten reviewed was submitted late by the line manager and consequently was not received by HR until after the leaving date; the leaver left on 25/06/25 but the termination form was not received by HR until 30/06/25. (Recommendation 2)
- The ICT Asset Register is not being updated appropriately to record when staff transfer roles, leave or when IT equipment is allocated to a new starter. In all 10 leavers reviewed, the asset register had not been updated to record IT equipment being returned. The name of the last known user of IT equipment, the date equipment was reallocated to another user, and assets' serial numbers are not routinely recorded in the ICT Asset Register. (Recommendation 3)
- When staff leave and return IT equipment, items are often retained within the department rather than forwarded to ICT for safe storage. Some departments have been informed by ICT that they do not have sufficient room to store laptops and that they should store them in their own department until such time as they are reallocated to a new starter. Therefore, there is a lack of assurance that items of IT equipment are held securely. Also, there is a lack of assurance that laptops' hard drives are wiped clean to remove any confidential data before the laptop is reallocated to another member of staff. (Recommendation 4)
- ICT policies lack evidence of regular review and update. (Recommendation 5)

- There is a lack of evidence of line managers regularly reviewing the system access rights of their staff. (Recommendation 6)
- The Authority does not have a written policy regarding a review of the system access of staff on long-term sick leave or maternity leave, and whether their system access should be suspended until their return to work. (Recommendation 7)

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	ICT should access the daily report from CIPHR listing all SMLs to confirm that they have received an ICT Leavers Form for all leavers, and chase any that are missing, and ensure that they remove leavers' system access promptly.	Medium	30/06/2026	Acting ICT Manager
2	Line managers should: - <ul style="list-style-type: none"> • Notify HR as soon as a resignation is received and provide a fully completed leavers form to HR at least 2 days prior to the payroll deadline for the month in which the employee leaves. • Provide the ICT Leavers form to ICT at least 10 working days prior to the employee's leaving date to enable ICT to 	Medium	30/06/2026	Strategic HR & OD Lead

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<p>remove system access and close the user account in a timely manner.</p> <ul style="list-style-type: none"> • Inform System Administrators of employee's leaving dates 10 working days prior to the leaving date so leavers can be removed from systems promptly. • Provide the New Starters/Job Change Form to ICT 10 working days prior to the employee's start date / job change to give ICT sufficient time to set up the new user account. 			
3	<p>ICT should ensure that the ICT Asset Register is kept accurate and up to date, recording all IT equipment allocated to starters / transfers and returned by leavers. The register should include full details of all IT equipment (laptops, personal computers, phones and iPads) and include username, location, date register updated, last known user (where this is known) and make/model/serial no.</p> <p>Any anomalies identified in the ICT Asset Register should be investigated.</p>	Medium	30/06/2026	Acting ICT Manager
4	<p>All items of IT equipment, such as laptops, returned by leavers should be forwarded to ICT for safe storage, enabling ICT to update the</p>	Medium	30th June 2026	Acting ICT Manager

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	ICT Asset Register accordingly and, if necessary, wipe clean the laptop hard drive to remove any confidential data before reallocating to another member of staff.			
5	The ICT policies should be reviewed/updated as follows: - <ul style="list-style-type: none"> The annual review of each policy should be evidenced and the date reviewed recorded on the Document Control page. 	Low	30/09/2026	Acting ICT Manager
6	System Administrators should review the system access rights of their staff periodically.	Low	30/09/2026	Acting ICT Manager and System Owners
7	HR should compile a guidance note regarding a review of the system access of staff during long-term periods of absence including sick leave maternity leave, adoption leave, shared parental leave, bereaved partner's paternity leave. Review to consider on case-by-case basis whether their system access should be suspended until their return to work.	Low	30/09/2026	Strategic HR & OD Lead

Key Financial Controls

Assurance Opinion

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Opinion provided	Reasonable	High recommendations	0	Medium recommendations	1	Low recommendations	3
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Summary of Findings

The audit identified several areas where risk management, governance and control processes ensure consistent and reliable compliance across the service area; however, a key control, the independent review of bank reconciliations, is not being undertaken consistently and there are other minor control weakness regarding fixed assets.

The key observations made during the audit identified that there are: -

- Accurate financial records.
- Robust approval and segregation of duties in Accounts Payable.
- Appropriate records and valuations of fixed assets.
- Regular key reconciliations and monitoring controls.
- Robust system access controls that do not allow unauthorised changes to financial data or transactions
- Effective debt management and recovery processes in place to minimise any loss of income.

Areas of weakness in control design and / or effectiveness

- Bank reconciliations are not being reviewed and where they are reviewed, the independent reviewer does not evidence their review.
- There is a lack of policies and procedure notes relating to the management and maintenance of the Authority's fixed assets. Apart from the Financial Regulations (currently under review), there are no documented procedures relating to asset additions and disposals, or the reconciliation of FAR to GL.
- There is no formal requirement for budget managers to notify the Senior Finance Business Partner of capital asset disposals; they become aware of disposals through auction receipts (i.e. vehicles/equipment), notifications from Property, and informal discussions with operational managers.
- There is no regular physical verification of assets listed on FAR. However, compensating controls are in place to some extent, such as the procurement of assets requiring appropriate authorisation and a formal assessment of property assets regularly taking place for insurance purposes.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	Ensure that the bank reconciliations are independently reviewed and signed as such by a responsible senior officer within Finance once completed.	Medium	Completed	Strategic Finance Business Partner
2	Policies and procedure notes should be drafted setting out the process in place for the management of fixed assets, maintenance of the FAR, recording of asset additions and	Low	01/01/2027	Senior Finance Business Partner

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	disposals, and the reconciliation of the asset register to GL.			
3	Budget managers should be required to formally notify the Senior Finance Business Partner of any capital asset disposals.	Low	Completed	Assistant Director of Finance (Deputy S151 Officer)
4	A formal process should be put in place for the regular physical verification of assets recorded in the fixed asset register.	Low	01/01/2027	Senior Finance Business Partner

Alive West Norfolk

Assurance Opinion

Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Opinion provided	Substantial	High recommendations	0	Medium recommendations	0	Low recommendations	2
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Summary of Findings

The transition of Alive West Norfolk (AWN) back into the Council has been managed and monitored robustly and adequately. The key observations made during the audit identified that there were robust governance, oversight, compliance readiness, communications, and risk management, during the course of the project as follows: -

- Transition documentation included many governance and decision-making risks, which were adequately monitored.
- Staff transition was compliant with current legislation and regulations.
- Project was delivered on time and under budget.
- ICT and data transfer risks were properly considered.
- Consistent and good quality communications with internal and external stakeholders took place.
- Roles and responsibilities assigned to responsible officers to ensure actions were undertaken.

Areas of weakness in control design and / or effectiveness

- Officer time spent on projects was not documented, resulting in inaccurate overall project costs.
- Post project review was not undertaken, so there was a missed opportunity for lessons learnt from the project (positive and negative).

Added value or improvement points

- Meeting minutes should follow the same format, easily identifying the resulting actions required to be logged.
- The Action Log spreadsheet should be updated and completed to ensure all actions are completed during the course of the project.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	Consideration that for future projects, officers record time spent on project work, to ensure accurate project costs can be recorded. (3.1)	Low	N/A	AD Finance (Deputy S151 Officer)
2	Post Project Reviews should be undertaken on all projects to establish good working practices, and for these to be incorporated on future projects. (PMO) (6.1)	Low	N/A	PMO Manager

Car Parking Income Collection

Assurance Opinion

Based upon the issues identified, there are a series of internal controls in place; however, these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Opinion provided	Reasonable	High recommendations	0	Medium recommendations	4	Low recommendations	2
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Summary of Findings

The introduction of new pay and display machines in the Borough's surface car parks in March/April 2025 has resulted in a rapid increase in the usage of card payments and a decline in the use of cash. In addition, use of the MiPermit app has increased, further reducing the use of cash. Total car parking income rose by 12.5% to £6.46m in 2025 compared to 2024.

The following issues were identified which require resolving by management:

- Discrepancies have been reported between the Windcave system card payment income received from the surface car parks and banked receipts since the new parking machines were introduced.
- Ongoing discrepancies are reported by bank relating to overs / unders in coin receipts.
- There is a lack of evidence of app payments being reconciled to banked receipts on the ledger. Cash and card payment monthly reconciliations to banked receipts are not reviewed and signed off by a senior officer.
- Due to resourcing constraints, parking machine fault response times are not being monitored to ensure that agreed response times are being met.

Management Response

Management accepts the findings and recommendations within the report and welcomes the Reasonable Assurance opinion.

However, management considers that the Executive Summary does not fully reflect the overall position evidenced within the audit. Whilst a number of areas for improvement have rightly been identified, no high-priority recommendations were raised and the overall assurance opinion confirms that a number of controls are operating effectively.

The audit was undertaken following the successful implementation of new parking payment infrastructure across the Borough. During this period, parking income increased by over £715,000 year-on-year and there has been a significant shift towards digital payment methods. These outcomes have been achieved whilst maintaining service delivery and income collection during a period of substantial operational change.

Management is therefore disappointed that no areas of strength have been identified within the report, as this does not appear to fully recognise the successful implementation of new technology, increased income generation, the transition towards digital payments, and the existing control arrangements that have supported these outcomes.

Notwithstanding this, management accepts the recommendations and has already commenced work to strengthen reconciliation processes, contractor performance monitoring and tariff control arrangements. Management remains committed to continuous improvement and ensuring robust financial controls whilst continuing to modernise parking services for the benefit of residents and the Council.

Areas of weakness in control design and / or effectiveness

- There are discrepancies between the Windcave system card payment income received and banking receipts during 2025/26 totalling less than 0.01% of income (under recovery). The Business Operations Manager is currently reviewing the discrepancies with Windcave system provider. (Recommendation 1)
- There are ongoing variances relating to within tolerance for over and under collections in coin receipts from surface car parks. (Recommendation 2)

- There is a lack of evidence of app payments being reconciled to banked receipts on the ledger. Only the total amount received relating to app payments is recorded on the ledger and the time period to which it relates is not given; therefore, it is not possible to easily reconcile the monthly MiPermit app report to banked receipts. The monthly reconciliation of cash and card payments to banked receipts is not formally signed off by a senior officer evidencing their review. (Recommendation 3)
- The Maintenance Agreement with Metric does not include any Performance Indicators. Due to resourcing constraints, parking machine fault actual response times are not monitored against agreed response times. Management informed that agreed response times with Metric are eight working hours where a single machine serves a location and 24 hours where more than one machine is available. However, the Maintenance Agreement with Metric just states “response to service calls within 12 working hours”. A review of the Ticket Machine & Pay Station Fault Log identified instances where the agreed response times are not being met by Metric. Of the ten faults reviewed, two were resolved after two days and four resolved after three days. The time that a fault is raised is recorded in the Fault Log but the time that it is resolved is not recorded; therefore, it is not possible to ascertain if the fault was resolved within agreed response times if the fault was addressed on the same day or on the following day. It is noted that the time the fault is resolved is recorded on the Service Call form. (Recommendation 4)
- The MiPermit parking app does not record the correct tariffs for some of the car parks. When tariffs are updated, there are not reviewed and checked. (Recommendations 5 and 6)

Added value or improvement points

- The “Car Parks in Heacham” webpage on the Authority’s website should be updated to state that the two car parks in Heacham accept debit/credit card, MiPermit app, and pay-by-phone, as well as cash payments.
- Management should consider reporting car parking income and stays on a regular basis to senior management and to Members.
- Management should consider increasing capacity within the Parking Operations Team to enable customer complaints relating to car parking issues within the Borough to be analysed. This would enable themes/trends to be identified and complaints relating to card and app payment failures to be addressed.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	Discussions with Windcave system provider should be expedited to ascertain the cause of the reported differences between the Windcave card payment income received and the total banked, with a view to resolving the issue.	Medium	30/09/2026	Business Operations Manager
2	Management should consider replacing the coin counting machine in the Oasis cash office to one which rejects coins that it does not recognise, rather than accepting them. Metric should be requested to carry out a check of the surface car park machines to ensure that they are recording coins correctly. Coin discrepancies over £5.00 should be investigated.	Medium	30/09/2026	Business Operations Manager
3	A mechanism should be put in place to enable the monthly reconciliation of app payments to bank receipts on the ledger. The monthly reconciliation of cash, card and app payments to banked receipts should be reviewed and signed off by a senior officer.	Medium	30/09/2026	Business Operations Manager
4	The Maintenance Agreement with Metric should include Performance Indicators by which the	Medium	30/09/2026	Business Operations Manager

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<p>provider's performance against the contract can be measured against.</p> <p>Actual response times should be formally monitored against agreed response times.</p> <p>Where agreed response times are not being met, management should raise this with Metric with a view to ensuring that faults are resolved in a timely manner.</p> <p>The Ticket Machine & Pay Station Fault Log should include the time each fault is resolved.</p>			
5	The MiPermit parking app should be updated to record the correct tariffs for the Tuesday Market Place and Vancouver (Sainsbury's) car parks.	Low	30/06/2026	Business Operations Manager
6	The updated car parking tariffs should be reviewed by another officer to confirm that they have been updated correctly.	Low	30/06/2026	Business Operations Manager

Risk Management

Assurance Opinion

There is no assurance opinion as this audit was a follow up.

Opinion provided	Substantial	High recommendations	0	Medium recommendations	1	Low recommendations	1
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Summary of Findings

Recommendation 1 - The Authority should develop a more comprehensive risk appetite, with, for example, three to five risk appetites which can be used to determine the risk appetite of different risk categories and a risk scoring methodology which clearly shows how risk appetite should be applied in practical terms using the 5*5 Risk Matrix, and document this in the Risk Management Policy (RMP).

Progress Made: Recommendation not Agreed by Management and is now closed.

The Authority's "risk appetite" is described as "open" in the RMP. It is difficult for risk owners to apply the Authority's "open" policy when deciding on the level of mitigating action that should be applied to ensure risk taking is within acceptable boundaries. Therefore, it is not possible to know whether risks have been managed and mitigated to an acceptable level.

Defining the Authority's risk appetite in terms of the scoring system will allow officers to easily identify risks that are outside the appetite boundaries. i.e. high risks need to be escalated, and medium / low risks de-escalated to an operational risk register and will allow the Authority to effectively use resources to target the most significant scoring risks and demonstrate it is managing risk in line with a defined appetite level.

Management Response:

This recommendation is not agreed to be progressed any further. The recent update to the Risk Management Policy and Risk Management Strategy clearly defines the risk appetite through the red / amber / green rating and provides likelihood and impact scenarios. Risk appetite is remaining "open" as the approach to risk in some areas, for example large projects, is likely to differ from the risk appetite for more business as usual activity. All risks will be scored against our risk matrix and actions to mitigate these clearly defined.

Recommendation 2 - Risk Management awareness training should be provided to Directors, Service Managers and all officers, and to new starters as part of their induction programme so that they are aware of their responsibilities regarding risk management.

Progress Made: Partially implemented / still in progress

Training on the use of the new risk management system will be made available to ADs to ensure they have the necessary skills to identify, appraise and control the risks associated with the services they provide and projects they manage. Members will receive online training so that they can consider the implications of risk. Training on the new corporate management system will be delivered to ELT and CLT. Online risk management awareness training programme to be rolled out to all officers from April 2026. It will be delivered via the new in-house training platform managed by HR. Risk management training will be included within the staff induction programme.

Management Response:

Agreed.

Recommendation 3a - The Corporate Risk Register should be enhanced to include the following: -

- Writing risks in the form of a “risk event”, with the cause and potential impact of the risk on the achievement of the Authority’s strategic objectives if the risk was allowed to materialise.
- Cross-referencing each risk to the relevant corporate objective.
- The Lead Officer responsible for managing the risk.
- The sources of assurance on effectiveness of identified controls.
- Target dates for the implementation of agreed actions, including RAG rating.

Progress Made: Implemented

The new strategic and operational risk register has been reviewed/updated to include risks being written in the form of a risk event, each risk being cross-referenced to the relevant corporate objective, each risk having a lead responsible officer and the inclusion of RAG rated target dates. An assurance adequacy control table has been added to live corporate risk register. Risk response categories (avoid, transfer, mitigate, accept) have been added to the service risk registers as these are more meaningful at operational level. Service area risk registers went live in early March 2026.

Recommendation 3b - Directorate Risk Registers should: -

- Have the same format as the Corporate Risk Register.
- Cross-reference risks to the Directorate Priority or Service Objective to which they relate.
- Be regularly reviewed (at least annually) and updated, where appropriate.
- Assign responsible officers to each risk and include due dates for actions.

Progress Made: Implemented

Directorate Risk Registers were included within the Directorate Plans which have been replaced by Executive Team Plans; these do not include service area risks; however, service area risk registers have been compiled and went live in early March 2026.

Recommendation 4 - The Risk Management Policy (RMP) and Risk Management Strategy (RMS) should be revised as follows so that they are clearly differentiated from each other, and consideration should be given to combining them into the one document: -

- The RMP should include areas such as the purpose of risk management, roles and responsibilities, risk scoring matrix, risk appetite, reporting and monitoring framework, etc.
- The RMS should describe the “risk maturity” of the Authority and set out how the Authority is planning to move to the next level of risk maturity, set objectives and the framework in place to monitor their achievement.
- References to the Audit & Accounts Regulations and CIPFA guidance to reflect the current versions of the legislation in place should be updated in both the Policy and Strategy.
- Approved by Members once revised and appropriately publicised to all officers.

Progress Made: Implemented

The RMP and RMS documents were reviewed by management and submitted to Cabinet on 20th January 2026 for formal approval. However, the RMP/RMS documents had not been updated/ revised to incorporate the recommended enhancements. Instead, a Guidance Note will be created including the organisation's risk maturity description; relevant legislation; professional guidance; reporting lines; risk management objectives; monitoring arrangements; glossary; and other supporting details.

Management Response:

This action has now been implemented. The Risk Management Policy and Risk Management Strategy was agreed by Cabinet on 20th January 2026 and has included the best practice guidance as appropriate. The policy and strategy are fit for purpose, and no further action is necessary in this regard. The guidance note will expand on the explanations as needed and defined by the corporate governance team.

Risk Maturity Assessment

Appendix 2 shows whether any of the points within the Risk Maturity Assessment have moved because of this audit. The review of point 14, 'managers provide assurance on the effectiveness of their risk management' this time has resulted in a new recommendation being made as assurance statements are being rolled out to support the AGS completion and will cover this point.

Management Response:

Agreed.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	Recommendation reinstated Risk Management awareness training should be provided to Directors, Service Managers and all officers, and to new starters as part of their	Medium	30/09/2026	Interim Corporate Governance Manager

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	induction programme so that they are aware of their responsibilities regarding risk management.			
2	<p>New Recommendation</p> <p>The Assurance Statements for the AGS should include providing an assurance on the effectiveness of the risk management arrangements within each Assistant Director's area of responsibility.</p>	Low	30/09/2026	Interim Corporate Governance Manager

Appendix 2 - Outstanding Recommendations by Year

Year 2019/20

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Car Park and Civil Enforcement	As referred to in the King's Lynn Transport Strategy, BCKLWN should develop a Car Parking Strategy. This would ensure that a town-wide approach to car parking management is achieved, together with enabling the delivery of the Transport Strategy's suggested improvements.	Medium	Regeneration Programmes Manager	31/03/21	31/01/26	01/06/2026: AECOM have been appointed by BCKLWN to prepare a Parking Strategy for King's Lynn town centre setting out how the town can cater for existing and future car parking demand up to 2030. The current draft Parking Strategy (version 2.0), dated 13/10/20, incorporates comments raised by BCKLWN. Latest strategy development has been undertaken alongside the masterplan development for KL & Hunstanton which has been presented to panels during 25/26. Due to be submitted for cabinet approval in Autumn 2026. The risk of inconsistent parking provision and management has not materialised and is not agreed. The strategy is intended to

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Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
						support future planning with regards to strategic aims set out in the King's Lynn Regeneration Plan, such as travel mode shift, economic and local plan objectives to name a few.

Year 2023/24

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Capital Programme	Review and update the Asset Management Plan and assign a responsible officer for Asset Management Planning (to help feed into the Capital Programme). Organisationally there needs to be a consideration for ICT assets.	High	Interim Assistant Director, Property & Projects Operations Asset Manager.	30/09/24	31/07/26	01/05/2026: Due to other priorities the SAMP is to be refocused due to LGR. Condition surveys have commenced in March 2026 due to the quantity to take place (100+), we have priorities vacant units. Life cycle programmes will be developed alongside the condition surveys to provide insight into budget requirements. Estimated completion end of July 2026 but could be longer depending on LGR requirements.

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Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
						Hence, implementation date has been revised.
Complaints and FOIs	<p>The Corporate Complaints Policy to be enhanced by including the following: -</p> <ul style="list-style-type: none"> • Version control / document history, • Refer to the Data Protection Act 2018, • Include a flowchart detailing the process for handling a complaint, <p>Have working hyper-links to associated policies and forms,</p> <ul style="list-style-type: none"> • Reference relevant Council policies and procedures, • Detail the roles and responsibilities of those officers who deal with complaints handling, • Specify the length of time that documents relating to complaints should be held for (in accordance with the 	Medium	Interim Corporate Governance Manager	30/11/23	30/06/26	01/05/2026: Revised policy scheduled for June 2026 CPP and Cabinet. Implementation date has been revised.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>Council's Document Retention Schedule),</p> <ul style="list-style-type: none"> • A section on "Learning from Complaints" outlining how the Council will learn from complaints, the process of analysing complaints, identifying trends and using it to drive service improvements, • A "Distribution" section outlining how the policy will be distributed i.e., the policy is available on the Council's website and on InSite. 					
Complaints and FOIs	<p>Once the Corporate Complaints Policy has been revised and updated, it is recommended that it be placed on the Authority's website, with a direct reference to the policy clearly sign-posting users to it.</p> <p>The policy to also be placed on InSite so that it is easily</p>	Medium	Interim Corporate Governance Manager	30/11/23	30/06/26	01/05/2026: Revised policy scheduled for June 2026 CPP and Cabinet. Implementation date has been revised.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	accessible by officers and Members. An article to be included in Staff Update notifying staff of the revised policy and the action that staff should take if they receive a complaint.					
Key Controls & Assurance	The Financial Regulations should be updated to include a reference to the management of fixed assets and the maintenance of the Fixed Asset Register.	Medium	Interim Assistant Director Finance (Deputy S151)	28/02/25	31/03/26	01/06/2026: Review underway, planned consideration by Cabinet in Sept 2026.

Year 2024/25

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Data Protection	The Data Protection Officer should: - 1. Identify the number of Data Protection Impact Assessments (DPIAs) and Data Sharing Agreements	Medium	Information Governance Officer & Data Protection Officer	31/10/25	31/08/26	01/06/2026: Revised Data Protection Policy will be presented to CPP and Cabinet in June 2026 for review and approval. Working with service area IGLs

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>(DSAs) in place within the Council and implement a process so that they are continually aware of these.</p> <p>2. Ensure these are recorded within the central log kept by the Information Governance Officer, and appropriately monitored and managed.</p> <p>3. In conjunction with departments, ensure that where a type of processing is likely to result in a high risk to the rights and freedoms of individuals, and for the three areas that always require a DPIA, a DPIA has been completed and where data is shared with or processed by third parties, that a DSA is in place.</p>					
Data Protection	The Data Protection Officer should: -	Medium	Interim Corporate	31/10/25	30/06/26	01/06/2026: Revised Data Protection Policy will be presented to CPP and Cabinet in

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ol style="list-style-type: none"> 1. Ensure that as per the 'Records Retention and Disposal Policy, an audit trail of disposed records is maintained by Service Managers. 2. Communicate this requirement to all Service Managers, referring them to 'Appendix B' from the 'Records Retention and Disposal Policy'. 3. Implement appropriate monitoring controls which provide assurance that the Policy is being adhered to and Service Managers are keeping a record of disposals and data is being disposed of in accordance with the Records Retention and Disposal Policy. 4. Satisfy themselves that an appropriate record in accordance with the 'Records Retention and Disposal Policy' is being 		Governance Manager			June 2026 for review and approval.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	maintained by the Contracts Management and Procurement Officer when boxes held by the external company are disposed.					
Data Protection	The Data Protection Officer should undertake a thorough review of the existing ROPA that was created in 2018, and ensure the document is updated accordingly capturing all relevant service areas which process data.	Medium	Interim Corporate Governance Manager	31/10/25	31/07/26	01/06/2026: Service Areas have been developing RoPAs and IARs - 20 out of 40 received so far (original deadline was 24 April 2026)
Data Protection	The Data Protection Officer and the Information Governance Officer should: - 1. Ensure that all relevant departments within the Council have a Privacy Policy on the Council's website stating how the Council collects, processes and uses personal data, giving specific consideration as to whether a Privacy	Medium	Interim Corporate Governance Manager	31/10/25	30/10/26	01/06/2026: Revised Data Protection Policy will be presented to CPP and Cabinet in June 2026 for review and approval. Working with service area IGLs

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>Policy is need for counter fraud activities.</p> <p>2. Ensure that the main Privacy Policy for the Council on its website under 'Why we Collect Data' includes the following statement 'Review and improve our delivery and provision of services (including for the purposes of internal audit)', and that 'We may share your data with other departments and services (including for the purposes of internal audit) within the Council so that we can review and improve our services to you.'</p>					
Section 106 Agreements	Process maps and policies/procedures should be compiled detailing the process for setting up, managing and monitoring S106 agreements, in compliance with current	Medium	Systems and Admin Manager, Environment & Planning	30/09/25	31/06/26	<p>01/06/2026: No further updates</p> <p>01/05/2026: Continue working with external Planning lawyer. External guidance for applicants complete. Guidance for Planning Officers drafted awaiting sign off, and Guidance for Monitoring and</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>legislation and guidance, and be regularly reviewed to ensure that they remain current and up to date and in accordance with current legislation and guidance, and include version control detailing when the policy was last reviewed, the frequency of review and the date when it is next due for review.</p> <p>The policies/procedures should detail: -</p> <ul style="list-style-type: none"> • How decisions are documented. • The process for considering the impact of new developments on a local area. • The process of reviewing S106 agreements prior to issue. • The process of raising invoices relating to S106 agreements within the defined timescales. 					<p>Compliance Officer in progress. Implementation date has been revised.</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ul style="list-style-type: none"> The process for the receipt, banking and coding of income, the audit trail, and the reconciliation of the bank account to income received. The process of spending income received from S106 agreements; and The process of enforcement and debt recovery 					
Section 106 Agreements	Once the Exacom system has been populated with existing S106 agreement data, regular quarterly reports on income due, income received and outstanding income from S106 agreements, and the progress of new developments, should be compiled and presented to senior management.	Medium	Systems Manager, Environment and Planning	31/03/26	30/06/26	01/06/2026: No further updates 01/05/2026: Current focus on closing 2025/26 accounts and populating Exacom with data needed for annual Infrastructure Funding Statement. Implementation date has been revised.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Vehicle Fleet	<p>Reasonableness checks on a sample basis should be performed on the usage of fleet vehicles to ensure that mileage and fuel usage is reasonable for the driver's duties and journeys.</p> <p>Section 5.1 Fuel Cards of the Driving at Work Procedure should be updated to reflect current practice.</p>	Medium	Business Operations Manager	31/12/25		<p>01/06/2026: No update provided</p> <p>01/05/2026: No update provided</p> <p>11/03/2026: A tool for analysing the data has been prepared and an officer assigned to monitor the data and review any anomalies. Evidence available for Internal audit at the end of March 2026.</p>
Vehicle Fleet	<p>Vehicle maintenance contracts should be subject to regular market testing to ensure that value for money is achieved and a written contract with the appointed contractor signed.</p> <p>Vehicle maintenance contracts with Paul Johnson and East Coast Motor Company should be compiled and shared with Procurement.</p>	Medium	Business Operations Manager	31/12/25		<p>01/06/2026: Specification for work under review. to reduce scale of supply and cost, whilst maintaining necessary vehicle safety check. Will then take through the procurement process.</p>

Year 2025/26

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Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Property Services	<p>A competency matrix and training tracker should be developed and implemented for the Facilities Team. This should include:</p> <p>a) A clear outline of the required skills, qualifications, and statutory training for each role within the team.</p> <p>b) Integration with the Ciph system to record, monitor, and report on training completion and compliance status.</p> <p>c) Regular reviews (e.g. quarterly) to identify training gaps, update role requirements, and ensure alignment with current legislation and best practices.</p> <p>d) Designation of a responsible officer to oversee training governance, including scheduling,</p>	Medium	Facilities Management Officer	31/12/25	30/06/26	<p>01/06/2026: No update provided</p> <p>01/05/2026: Drafted, awaiting sign off, waiting for new AD to review before signing off. Implementation date has been revised</p> <p>16/01/26: Caretaker manual has been drafted, circulated and is currently under review. This manual will directly impact the training and qualifications needs of the caretakers and therefore impact the Training Matrix.</p> <p>Caretaker Manual to be issued 31/01/26; Draft Training Matrix to be issued for review 28/2/26 with issue by 15/3/26.</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	monitoring progress, and reporting outcomes.					
Property Services	Property Services should verify the qualifications, registrations and insurance of all the current contractors that they use as soon as possible.	Medium	Facilities Management Officer	31/03/26	30/06/26	01/06/2026: No update provided 01/05/2026: Competency checks continue to be undertaken there is a delay between information receipt and confirmation due to resource requirements. Additionally, we are seeking to set up a working group across operational departments and Health and Safety, so no individual has the burden of making the decision. Implementation date has been revised.
Property Services	Property Services should implement a structured system along with a formal process to manage contractor compliance documentation. This new system should: - a) Ensure contractor credentials (e.g. qualifications, registrations, insurance) are verified at	Medium	Facilities Management Officer Operational Asset Manager (Interim)	31/03/26	30/06/26	01/06/2026: No update provided 01/05/2026: Competency checks continue to be undertaken there is a delay between information receipt and confirmation due to resource requirements. Additionally, we are seeking to set up a working group across operational departments and Health and Safety so no individual has the burden of making the

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>appropriate intervals and kept up to date.</p> <p>b) Clearly assign responsibility for carrying out these checks and maintaining records.</p> <p>c) Include a reliable method for storing and tracking documentation to support compliance and audit readiness.</p>					decision. Implementation date has been revised.
Property Services	<p>"Property Services must ensure that all statutory health and safety and other statutory compliance checks are completed across all operational and commercial properties. This includes: -</p> <p>a) Checks for which Property Services are directly responsible.</p> <p>b) Checks assigned to tenants, with oversight from Property Services to ensure completion.</p>	High	Operational Asset Manager (Interim)	31/05/26	30/06/26	01/06/2026: No update provided

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	To support this, a risk-based assessment should be conducted to prioritise properties, ensuring that high-risk sites are addressed first. The recommendation should be reviewed and refined in light of the outcomes of the corporate health and safety gap analysis led by Mark Whitmore."					
Disaster Recovery	The Council to ensure that a review of its DR Plan is undertaken as soon as possible. We suggest that the following be included: - • Current technical infrastructure management documentation including IP ranges, scripts, telephony resilience, Website and network configurations. Procedures related to accessing emergency funding also needs to be included.	Medium	Interim Assistant Director Corporate Services	30/04/26	30/09/26	01/06/2026: No update provided 01/05/2026: No update provided.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ul style="list-style-type: none"> • All business areas to be included in the plans to ensure consistency of approach and efficient operational delivery. • Copies to be held in multiple formats and locations and be demonstrably aligned to business continuity plans and priorities therein. • Ensure that plans are also subject to regular review, using agreed change control processes that manage the feedback loop from lessons learnt from tests into the plans. 					
Disaster Recovery	There is a need to develop and implement a risk-based Disaster Recovery Test Plan and strategy, to include all key departments responsible for 24/7 critical services, such as CCTV and parking management and external vendors where appropriate.	Medium	Interim Assistant Director Corporate Services	30/04/26	30/09/26	01/06/2026: No update provided 01/05/2026: No update provided.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	We have noted that the core IT					
Disaster Recovery	Undertake periodic test restores and not just on demand requests from users asking for lost files to be recovered.	Medium	Interim Assistant Director Corporate Services	30/04/26	30/09/26	01/06/2026: Considering options for progressing introducing new scheme/points based assessments i.e. phased introduction, buy-out, notice period for change etc. 01/05/2026: No update provided.
Disaster Recovery	Document a formal Data Centre Management Policy, with supporting procedures, to include access management (staff and vendor / contractors), environmental and physical controls, power management, roles and responsibilities, compliance and auditing.	Medium	Interim Assistant Director Corporate Services	30/04/26		01/06/2026: A draft Data Centre Management Policy has been created and is in the process of being circulated for comments before being adopted. Revised due date requested from 30/04/26 01/05/2026: No update provided.
Community Safety	The Council should develop and implement a formal Community Safety Strategy and Action Plan that: Defines clear objectives and integrates with equalities	High	Environmental Health Manager (Community Safety, Neighbourhood Nuisance and	31/03/26	30/09/26	01/06/2026: A draft community safety strategic framework has been written and presented to the Auditor. The intention is that the framework will provide the context for how community safety is delivered in West Norfolk and

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>assessments and service planning.</p> <p>Incorporates multi-channel outreach (digital, print, and in-person) to ensure accessibility for all residents.</p> <p>Establishes structured partnership arrangements with voluntary and community organisations, supported by formal documentation.</p> <p>Includes regular updates and community engagement mechanisms to maintain transparency and responsiveness.</p> <p>Sets measurable Key Performance Indicators (KPIs) aligned to operational and strategic outcomes, such as:</p> <p>Perceived safety in public spaces (day and night).</p> <p>Attendance at community events or forums.</p>		Housing Standards)			<p>how the service interacts with internal and external stakeholders. The ASB policy will be a standalone document but also an appendix in the framework. An ASB policy is in draft form. Democratic services have been approached, and have provided, advice on the timetable for a new strategy and a new policy.</p> <p>01/05/2026: No update provided</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>Community satisfaction with incident response.</p> <p>Updates operational procedures to ensure statutory compliance, by prioritising preventative measures and adherence to Section 17, supported by appropriate resource allocation and cross-departmental coordination, with clear ownership assigned.</p>					
Community Safety	<p><u>Team Structure and Role Clarity</u></p> <ul style="list-style-type: none"> • Review and update the Community Safety team structure to ensure full coverage of CSNN and Anti-Social Behaviour functions. • Standardise role definitions and align responsibilities with job titles and hierarchy, particularly for managerial positions. 	Medium	Jeanette Hollingsworth, Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards)	31/03/26	31/07/26	01/06/2026: Work is underway to restructure the current CSNN team to create a rational hierarchy and roles. A proposed structure and delineation of functions has been drafted. New JDs are being created and staff consultation will be required. The proposed restructure has been approved by the AD and Chief of Staff. The aim of the new structure is to focus roles on community safety and ASB in one team. The nuisance functions will be placed into the housing

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p><u>Competency and Training Framework</u></p> <ul style="list-style-type: none"> • Develop a centralised competency matrix and training tracker for all staff. • Use the tracker to identify training needs, monitor completion, and support staff development. • Implement structured training programs, including mandatory induction and refresher training aligned with statutory duties and strategic objectives. • Integrate NCC training resources (aligned with NCSP priorities) into the tracker for consistent access and uptake. <p><u>Policies and Procedures</u></p> <ul style="list-style-type: none"> • In conjunction with the Assistant Governance Officer, introduce a regular review cycle for all key policies and procedures, including: 					<p>standards team. Appropriate competencies will be incorporated into the person specs. A competency framework is in progress. Apprenticeships and relevant training programmes have been identified but will need funding.</p> <p>01/05/2026: No update provided.</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ul style="list-style-type: none"> ➤ Version control ➤ Review dates ➤ Responsible officers <p>• Ensure updated procedures reflect new technology and formally adopt external frameworks, where relied upon.</p> <p><u>Governance and Collaboration</u></p> <p>• Formalise inter-departmental collaboration by:</p> <ul style="list-style-type: none"> ➤ Scheduling regular structured meetings with key departments (e.g., Emergency Planning, Counter Terrorism Protect strand, crime prevention). ➤ Defining clear terms of reference, authority, reporting lines, shared objectives, roles, and escalation routes. 					
Community Safety	<u>Formalise ISA Compliance Framework</u>	Medium	Environmental Health Manager (Community	31/03/26		01/06/2026: No response provided

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ul style="list-style-type: none"> • Appoint designated officers responsible for Information Sharing Agreement (ISA) compliance. • Integrate ISA requirements into operational guidance and staff training programs. • Establish monitoring processes to ensure adherence and proper data handling practices. <p><u>Enhance Communication and Action Tracking</u></p> <ul style="list-style-type: none"> • Include feedback from NCSP meetings as a standing agenda item in team meetings for full staff awareness. • For any resulting actions: <ul style="list-style-type: none"> ➤ Document the actions clearly. ➤ Assign responsible officer(s). ➤ Set specific deadlines. ➤ Conduct regular progress reviews and maintain 		Safety, Neighbourhood Nuisance and Housing Standards)			01/05/2026: No response provided.

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>documentation until completion.</p> <p>➤ Capture lessons learned for continuous improvement.</p>					
Car Scheme Allowance	<p>The Council should decide whether it wishes to continue with a Car Allowance Scheme or whether there are alternatives which could be put in place.</p> <p>If the Council does continue, the Council should develop and document its Car Allowance Scheme with guidance taken from the Green Book 2024 from the National Joint Council for Local Government Services, which covers the National Agreement on Pay and Conditions of Service, setting out: -</p> <ul style="list-style-type: none"> • When an allowance will be applicable for a role e.g., when employees are required to use their motor vehicles for the efficient performance of 	High	HR Business Partner (Transformation)	31/03/26	31/12/26	<p>01/06/2026: "The HR BP Projects is leading on this work.</p> <p>Key actions in this phase:</p> <p>Gathering any additional information required.</p> <p>Considering options for progressing introducing new scheme/points based assessments</p> <p>Working on an implementation plan to pull all this together."</p> <p>01/05/2026: Draft policy has been drafted. As there are several overlaps with the current Expenses and Mileage Policy, met with Chloe to discuss whether to add in new clauses to the Expenses and Mileage Policy or continue with the separate document. The timing of the annual review would need to</p>

Audit Name	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<p>their duties and / or meet a mileage threshold;</p> <ul style="list-style-type: none"> • The allowance category covered by the Scheme (essential or casual); • The amount of allowance a user will receive is their role is categorised as an essential user; • When the user's allowance will be reviewed; • How roles will be assessed as meeting the criteria to be an essential user and the list of roles that the essential user allowance applies to; and • What will occur should the user's allowance be amended for any reason. 					<p>consider mileage is claimed up to 3 months after the month it was driven. It is recommended a review takes place February each year based on the employee's mileage from January to December the previous year for implementation on 1st April each year. Further check being made with Steph as to the wording in employment contract regarding casual user status.</p>

Appendix 3 - For your information

Definitions for overall assurance opinions and recommendation ratings are shown below.

Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.
Reasonable Assurance	Based upon the issues identified, there is a series of internal controls in place; however, these could be strengthened to facilitate the Council's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
No Assurance	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.
Position Statement	Advisory work.

High – Priority 1	Fundamental control issue on which action to implement should be taken within 1 months.
Medium - Priority 2	Control issue on which action to implement should be taken within 3 months.
Low – Priority 3	Control issue on which action to implement should be taken within 6 months.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	15 June 2026		
TITLE:	Internal Audit Annual Opinion & Report 2025/26		
TYPE OF REPORT:	For Noting		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
This report concludes on the Internal Audit Activity undertaken during 2025/26, provides an annual opinion concerning the organisation's framework of governance, risk management and control, concludes on the effectiveness of internal audit and provides key information for the Annual Governance Statement.
KEY ISSUES:
The Head of Internal Audit is able to give a 'Reasonable' opinion on the framework of governance, risk management and control overall at the Council.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Committee is requested to: - <ul style="list-style-type: none"> • Receive and consider the contents of the Annual Opinion Report of the Head of Internal Audit. • Note that a reasonable audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2026. • Note that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration when developing and reviewing the Council's Annual Governance Statement for 2025/26. • Note the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP).
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out the Head of Internal Audit's annual opinion on the framework of governance, risk management and control.

3. Issues for the Audit Committee to Consider

Members should note the Head of Internal Audit's annual opinion and the reasons for this. This is provided in summary in section 'Head of Internal Audit Annual Opinion Statement – Summary' and then in detail in section 'Head of Internal Audit Annual Opinion Statement – Detail'.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

The Head of Internal Audit's annual opinion is 'Reasonable' assurance in relation to the framework of risk management, governance, and internal control.

11. Background Papers

Appendix A – Internal Audit Annual Opinion Report 2025/26

EASTERN INTERNAL AUDIT SERVICES



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



BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

Internal Audit Annual Opinion Report 2025/26

Head of Internal Audit: Teresa Sharman

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Summary: Internal Audit Work 2025/26

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23 Audits in 2025/26 Internal Audit Plan
3 High Recs Raised
25 Medium Recs Raised
20 Low Recs Raised
48 Total Recommendations Raised in Year

Assurance Opinion Level	Number of Audits
Substantial	2
Reasonable	4
Limited	4
None	0
Position Statement	3
Deferred	5
Cancelled	4

Head of Internal Audit's Opinion 2025/26	Reasonable
---	-------------------

**46 outstanding
recommendations at
year-end.**

**3 – High
20 – Medium
23 - Low**

**Oldest – 1 medium
recommendation from
2019/20**

Executive Summary

Purpose

The Head of Internal Audit should provide an annual report, detailing its opinion on the framework of governance, risk management and control, to those charged with governance to support the Council's Annual Governance Statement (AGS).

This report should include the following: -

- An opinion on the overall adequacy and effectiveness of the Council's governance, risk management and internal control environment.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Detail a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Any control weakness considered by the Head of Internal Audit to be relevant to the preparation of the AGS.
- A summary of the work undertaken during the year to support the opinion, including any reliance placed on the work of other assurance bodies.
- An overall summary of the performance of the Internal Audit Service against its performance indicators.
- The results of the internal audit quality assurance programme, including details of compliance with Internal Audit Standards.

The purpose of this report is to satisfy this requirement, and Members are asked to note its content.

Background

The Head of Internal Audit role for the Council is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council.

Internal Audit Service for the Council is provided by an in-house team, supported by contractors from Consortium, Eastern Internal Audit Services (EIAS), which is hosted by South Norfolk Council, as well as the in-house Team at EIAS.

All audit work is completed in accordance with the Global Internal Audit Standards (GIAS) in the UK Public Sector and the CIPFA Local Government Application Note 2025.

Internal audit provides an independent and objective opinion on the Council's internal controls by evaluation their effectiveness and operation in practice.

Scope of Responsibility

The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

This opinion statement is provided for the use of the Council in support of its AGS for the year ended 31 March 2026.

Head of Internal Audit Annual Opinion Statement - Summary

Opinion

For 2025/26, a **reasonable** assurance can be given in relation to the Council's framework of risk management, governance, and internal control although weaknesses remain in key operational areas which require timely and sustained management action.

Basis of opinion

I have considered the outcomes of audit work completed in 2025/26, other third-party assurances if available, the relative materiality of the issues arising from audit work as well as management's progress in addressing any control weaknesses identified from and outside of audit work, and management's progress with addressing outstanding recommendations from this year and previous years as detailed below.

From an analysis of the information summarised in the 'Head of Internal Audit Annual Opinion Statement – Detail' section below, the following is noted: -

Internal Control

The reliance placed on the Building Safety Regulator inspection provides strong external assurance that statutory building control requirements and operational standards are being met, and that previously identified non-compliances have been effectively addressed. In addition, positive control improvements during the year, including strengthened financial controls (PO no pay, revised spending approvals), enhanced information governance arrangements, and the introduction of service assurance statements aligned to SOLACE principles, demonstrate a commitment to improving the control environment.

However, a number of limited assurance audit opinions highlight material weaknesses in the design and operation of controls. In particular: -

Property Services presents a significant risk to statutory compliance and safety due to weak governance, lack of central oversight, and absence of robust systems to manage compliance obligations.

Disaster Recovery arrangements are not yet sufficiently mature to ensure resilience of critical ICT services in the event of a major incident.

Car Allowance Scheme and Community Safety arrangements reflect weaknesses in policy clarity, consistency, and governance oversight.

Although management has acted, a high number of outstanding recommendations, including overdue urgent actions still in progress and revised deadlines extending into 2026, indicates that improvements are not yet fully embedded. As a result, internal controls require strengthening to ensure consistent and effective operation across all service areas.

The deferral of Procurement and Cyber Security audits due to ongoing transformation activity, reduces independent assurance coverage in two high-risk areas at this time, with reliance placed on management-led improvements and external review activity for assurance.

In conclusion, while the Council has is taking steps to strengthen controls, there are continuing weaknesses in key service areas and delays in implementing agreed actions.

Risk Management

Risk management arrangements are developing but not consistently embedded across the Council. There is evidence of improvement, including the introduction of service assurance statements and risk-based planning in areas such as cyber security and procurement transformation.

However, audit findings demonstrate that risk identification, assessment, and mitigation are not always applied systematically, particularly within operational service areas. Weaknesses in Disaster Recovery planning highlight gaps in preparedness for major incidents, while issues in Property Services and Community Safety indicate that key operational risks are not being adequately controlled or monitored.

The volume of outstanding and long-standing recommendations suggests that risk mitigation actions are not always implemented in a timely manner.

The Council may be exposed to unmanaged or poorly controlled risks, particularly in relation to operational resilience, health and safety, and compliance with statutory obligations.

In conclusion, a more consistent application of risk management practices and stronger follow-through on agreed actions would reduce the Council's risk exposure.

Governance

The governance framework is supported by established structures, external oversight, and recent improvements to transparency and accountability. Reliance on the Building Safety Regulator inspection provides strong assurance that statutory requirements are being met in this area, and that previously identified issues have been addressed.

Further improvements, such as enhanced financial governance, strengthened information governance roles, and clearer accountability through assurance statements, demonstrate a positive direction of travel.

There are governance weaknesses at an operational level. Audit findings highlight unclear roles and responsibilities, inconsistent policy frameworks, and weak oversight in certain service areas, Property Services, Disaster Recovery and Community Safety, and in Community Safety, a lack of strategic direction and coordination. In addition, the delayed implementation of audit recommendations and the presence of long-standing outstanding actions indicate that governance processes are not always effective in driving timely improvement.

In conclusion, although the governance framework is generally good, the Council needs to be more consistent, structured, and timely in how it applies its governance arrangements in day-to-day operations i.e. clearer accountability and ownership, policies and procedure consistently applied and timelier implementation of agreed improvements.

Head of Internal Audit Annual Opinion Statement - Detail

Third party assurances

A risk-based inspection by the Building Safety Regulator (BSR) was undertaken in 2025/26; therefore, the audit due to take place this year was cancelled. The BSR undertakes inspections to ensure that Building Control Bodies (BCBs) i.e., Local Authorities and Registered Building Control Approver's ('RBCAs') are complying with the Building Act 1984 and associated legislation. BCBs must comply with the published Operational Standards Rules (OSRs), which set out the minimum performance standards expected. All BCBs are subject to ongoing monitoring and at least one inspection over a five-year period. Some non-compliances were found under the areas of governance, people, and operations. At the inspection follow up in early 2026, the non-compliances were found to have been satisfactorily addressed, and no further cation was required. Reliance has been placed on the results of this inspection which confirms that the Local Authority is complying with the OSRs and controls are now satisfactory.

Limited opinions

Property Services

The audit highlighted that there was a lack of policy and procedures covering the frequency of checks and which ones were needed, ownership of checks, clear property categorisation, escalations for overdue checks, training, and gaps in verifying contractor's competencies. There was also no centralised system to record, monitor, track or report on checks due, completed or overdue.

One high and five medium recommendations were raised. Three of the medium recommendations are past their due dates. The completion dates for the remaining recommendations are post year-end.

The Council is at risk of not meeting its statutory health and safety obligations across its property portfolio, due to weak governance, lack of central oversight, and inconsistent control processes which could result in regulatory breaches, enforcement action, financial penalties, and serious harm to occupants and the public.

Progress with recommendations

A computer aided facilities management system is being considered to address the intensive administrative activities of the compliance tracker to better manage compliance documentation and for monitoring and reporting.

Compliance policies are being developed which will be submitted to the Health and Safety Committee. Reporting is being provided to senior management. The competency and training matrix awaits sign off by the new Assistant Director. A check of the qualifications and registrations of contractors has commenced. Due dates have been revised to June 2026.

Disaster Recovery

The audit highlighted that there was the need for an immediate review of the Disaster Recovery (DR) Plan, robust and regular disaster recovery testing, periodic DR test restores of backup media, change management processes to include DR changes, the need for a documented Data Centre Management Policy and ensuring that the main Data Centre's fire detection and prevention system was undergoing regular maintenance.

The audit has also identified that there are business areas in the Council that use the IT infrastructure but manage their own local IT support. This can result in weak accountability, reduced DR service efficiencies and value for money.

The audit raised six medium and two low recommendations which all had due dates post year-end.

There is a heightened risk that the Council may be unable to maintain or recover critical ICT services within agreed timescales following a major incident.

Progress with recommendations

A draft Data Centre Management Policy has been created and is in the process of being circulated for comments before being adopted. The Data Centre's fire detection and prevention system has been confirmed as having quarterly inspections and an annual service. Back up policies are being updated. Due dates have been revised to June or September 2026.

Car Allowance Scheme

The audit highlighted that there was no clear definition or guidance on who qualified as an Essential or Casual User for car allowance payments. This lack of structure creates inconsistency and the risk of misclassification.

Additionally, the Scheme was not subject to annual review, meaning some users may continue receiving payments they no longer qualify for while others who should qualify may not receive them.

The audit raised one high, and one medium recommendation which all had due dates of year-end and post year-end.

Progress with recommendations

The first part of the high recommendation has been completed; for the second part, a draft policy has been completed for consultation. An action plan is being developed to complete the rest of the work associated with this recommendation and the due date has been revised to December 2026. The medium recommendation cannot be completed until the scheme has been revised and implemented.

Community Safety

The audit highlighted that the Council relied heavily on digital communication without an inclusive communication strategy, which could leave some residents uninformed and limit their access to services. Community Safety practices lack coordination, structured performance measures, and updated policies, with outdated procedures, informal training, and inconsistent role responsibilities creating operational risks.

Additionally, information sharing and strategic oversight were weak due to informal adoption of frameworks and limited cascading of partnership updates, reducing resilience and compliance with statutory obligations.

To address these issues, a formal Community Safety Strategy and Action Plan were recommended, along with updating policies and procedures, reviewing the structure and roles of the Community Safety Team, formalising and implementing inter-departmental co-ordination, and formalising and integrating the Norfolk Community Safety Partnership's Information Sharing Agreement throughout the organisation.

The audit raised one high and two medium recommendations all of which had due dates of year-end.

Progress with recommendations

A draft community safety strategic framework has been written and a ASB Policy is in draft form. The proposed restructure for the team has been approved by the AD and Chief of Staff. New JDs are being created which will require staff consultation. The aim of the new structure is to focus roles on community safety and ASB in one team.

The nuisance functions will be placed into the housing standards team. A competency framework is in progress. Apprenticeships and relevant training programmes have been identified but will need funding. Due dates have been revised to July and September 2026.

Deferred audits in 2025/26

The Procurement and Cyber Security audit were both deferred to the 2026/27 Internal Audit Plan to enable the control weaknesses to be improved.

For Procurement, a review of compliance commenced in 2025/26, delivered by an external expert. The review is collating supporting evidence for current contracts and will result in a focussed action plan to bring other contracts up to a satisfactory status if necessary. Procurement has now been placed with the Deputy S151 to enable closer ties with spend monitoring in Finance and improved links to budgets for emerging spend and contracts. Work is also underway to enforce documentary evidence of market testing and approval of exemptions.

For Cyber Security, ICT has been progressing cyber security improvements, including backup recovery enhancements and a 12-month risk-based programme addressing all ten themes of the proposed audit scope, prioritising highest risks. Management considered that conducting an audit during 2025/26 would have largely identified known issues already being actively addressed, resulting in limited added value and potential duplication of effort and it would also risk assessing transitional controls rather than the intended strengthened end-state which as supported by Internal Audit. Given ICT's current capacity constraints, supporting an audit could delay critical remediation work and inadvertently increase organisational risk.

Other control improvements in year outside of audit work

New assurance statements have been introduced across all service areas and were completed at year-end and will be subject to quarterly reviews. The assurance statement follows the seven SOLACE core principles of good governance in local authorities which are designed to ensure ethical, transparent, and effective decision making and accountability.

A PO no pay policy has been introduced and the KPI for this area is improving.

A review of spending approval limits and practices has resulted in a reduction of spend limits and a renewed focus on Budget Managers approving spend.

Physical credit cards were withdrawn in February 2026 following an internal analysis of spend, which identified a need for a better solution to ensure effective procurement. A new solution has now been put in place, which enables pre-authorisation of spend rather than retrospective approval, along with improved categorisation of spend for analysis. An audit of this area is also underway in 2026/27.

New Information Governance Leads have been introduced. Officers with these roles act as the designated point of contact within their service area for all matters relating to information governance. They act as champions of good practice and drive compliance, ensuring that information is managed responsibly, securely, and in line with our legal and organisational requirements. Workshops for these officers has been completed.

A refresh of Data Asset Registers has been ongoing since February 2026 with the annual mandatory round of GDPR e-learning to be completed in May 2026.

Outstanding Recommendations

In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end is that 46 recommendations are outstanding as the table below details which has been accounted for in my overall annual opinion.

Oldest outstanding recommendations

The oldest recommendation goes back to 2019/20 and relates to medium recommendation for developing a car parking strategy. A firm has been appointed by the Council to prepare a Parking Strategy for King's Lynn town centre setting out how the town can cater for existing and future car parking demand up to 2030. The current draft Parking Strategy dated 2020, incorporates comments raised by the Council and is still in draft awaiting sign off.

Urgent recommendations

For 2023/24, the urgent recommendation is from the Capital Programme audit and relates to reviewing and updating the Asset Management Plan. Condition surveys commenced in March 2026; 20 are completed, with over one hundred estimated to be completed. A number relate to occupied investment units which tenants are responsible for maintaining. Lifecycle programmes are being developed to provide information for budgeting requirements. A revised date of December 2026 is in place.

The other two relate to the 2025/26 Car Allowance Scheme (review this scheme) and Community Safety (develop a community safety strategy and action plan) audits, both of which were due for completion at the end of March 2026. See comments under each audit above for further details on progress with these recommendations.

Please refer to the separate Internal Audit Progress and Follow Up report June 2026, which shows the details of the progress made to date in relation to the implementation of agreed recommendations, and which also provides an update from management regarding all outstanding recommendations.

Audit Year	Number of Outstanding Recs	Number of High	Number of Medium	Number of Low
2019/20	1	0	1	0
2022/23	2	0	0	2
2023/24	10	1	5	4
2024/25	20	0	9	11
2025/26	13	2	5	6
Total	46	3	20	23

Audit Outcomes

The outcome of all audits completed in 2025/26 is shown in the table below.

Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
WNP & WHNC Follow Up	Audit Completed	Position Statement	-	-	-	-	-
West Norfolk Housing Company	Audit Completed	Position Statement	-	-	-	-	-
Property Services	Audit Completed	Limited	9	1	5	3	0
Disaster Recovery	Audit Completed	Limited	8	0	6	2	0
Community Safety (ASB & Neighbourhood Nuisance)	Audit Completed	Limited	3	1	2	0	0
Car Scheme Allowance	Audit Completed	Limited	2	1	1	0	0
Council Tax (Second and empty homes)	Audit Completed	Substantial	1	0	1	0	0

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Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
Alive West Norfolk	Audit Completed	Substantial	2	0	0	2	2
Climate Sustainability	Audit Completed	Reasonable	5	0	1	4	0
Access and Asset Management for Starters, Movers and Leavers	Audit Completed	Reasonable	7	0	4	3	0
Risk Management	Audit Completed	Position Statement - Follow Up	1	0	0	1	0
Key Financial Controls	Audit Completed	Reasonable	4	0	1	3	0
Contract Management	Draft Report awaited	-	-	-	-	-	-
Cash Collection - Car Parks	Audit Completed	Reasonable	6	0	4	2	3
Cyber Security	Deferred	-	-	-	-	-	-
Procurement	Deferred	-	-	-	-	-	-
Capital Programme & Project Management	Deferred	-	-	-	-	-	-

Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
Community Infrastructure Levy	Deferred	-	-	-	-	-	-
Housing Options	Deferred	-	-	-	-	-	-
Building Control	Cancelled	-	-	-	-	-	-
Strategic Housing (advisory work)	Cancelled	-	-	-	-	-	-
Data Protection (data breach staff awareness)	Cancelled	-	-	-	-	-	-
Local Plan	Cancelled	-	-	-	-	-	-

Note: the Risk Management follow up audit resulted in one new low recommendation which has been included in the table above.

Grant Certifications

The following grants have been certified by EIAS so far during 2025/26: -

- Disabled Facilities Capital Grants (Period end - 2024/25)

Performance Measures Outcomes

Overall Outcome

Detailed below are the outcomes of the performance measures which relate to the performance of the in-house team.

This is the overall performance status at the time of writing our report. There are still several reports to be finalised and feedback surveys to be returned.

Clients

KPI Description	Outcome	Outcome
Average feedback scores from key clients: the score is based on the average of the five surveys returned.	Met - Good	3.3 (1 is poor and 4 is excellent)

Actions for 2026/27

Next year, two new KPIs will be measured relating to the timely delivery of draft and final reports.

The in-house team will also be monitoring their delivery of audits against the timelines detailed in terms of reference and their actual days versus the days agreed for the audit.

Further KPIs will also be considered during the year around the quality side of delivering audits.

Quality Assurance and Improvement Programme (QAIP)

QAIP

What do the Standards say?

The chief audit executive must develop, implement and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme has two elements, internal assessments and external assessments.

At least annually, the chief audit executive must communicate the results of the internal quality assessment to the Audit Committee and senior management covering the internal audit function's conformance with the Standards and achievement of performance objectives and plans to address deficiencies and opportunities for improvement.

A quality assurance and improvement programme is designed to evaluate and promote the internal audit function's conformance with the Standards, achievement of performance objectives, and pursuit of continuous improvement.

The Head of Internal Audit is responsible for ensuring that the internal audit function is continuously seeking improvement. This requires developing measures to assess the performance of internal audit engagements, internal auditors, and the internal audit function. These measures form the basis for evaluating progress toward performance objectives including continuous improvement.

Internal Assessment

What do the Standards say?

The Head of Internal Audit must establish a methodology for internal assessments, that includes ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives, periodic self-assessments to evaluate conformance with the Standards, and communication with the Audit Committee and senior management about the results of internal assessments. An action plan to address instances of nonconformance with the Standards and opportunities for improvement must be developed.

Ongoing monitoring

This involves the day-to-day supervision, review, and measurement of the internal audit function and is incorporated into ours and our contractor's routine policies and procedures used to manage the internal audit function. Ongoing monitoring is primarily achieved through supervisory reviews throughout audit work and the use of template working papers and documents, to ensure standardisation and consistency in the application of audit work.

Performance measures are in place to determine the efficiency and effectiveness of the internal audit function as reported above. Currently, we are only reporting against these for the main contractor. Performance measures have been agreed with the other two contractors and will be formally measured in 2026/27.

Weekly operational and quarterly performance meetings are held with the main Contractor, as will be the case for the other two contractors.

Periodic self-assessments

These enable the internal function to validate its conformance with all the Standards. These evaluate: -

- The adequacy of the internal audit function's methodologies.
- How well the internal audit function supports the achievement of the Council's objectives.
- The quality of internal audit services performed, and supervision provided.
- The degree to which stakeholder expectations are met and performance objectives are achieved.

Results of self-assessment

A self-assessment has not been completed for 2025/26. This is because a gap analysis was completed against the new GIAS in the UK Public Sector, the results of which will be presented to the Committee later this year.

External Assessment

What do the Standards say?

The chief audit executive must develop a plan for an external quality assessment (EQA) and discuss the plan with the Audit Committee. The EQA must be performed at least once every five years by a qualified, independent assessor or assessment team.

Last EQA

An EQA was carried out in October 2022 by the Chartered Institute of Internal Auditors (IIA) against the previous Standards. The Internal Audit Service received a 'generally conforms' result, with conformance in 60 out of 64 areas (two areas were not applicable, and two resulted in 'partially conforms').

Progress with actions

One area of partial conformance was highlighted in coordinating and maximising assurance. Within the Strategic and Annual Plans report for the audit year 2023/24 presented in March 2023, an Assurance Map was provided, outlining the then top risks, along with first, second and third lines of assurance. This has not been repeated since.

The second area of partial conformance was raised to ensure that all EIAS clients receive an external quality assessment as it falls due on the five-year anniversary. This will be ensured at the five-year anniversary in 2027.

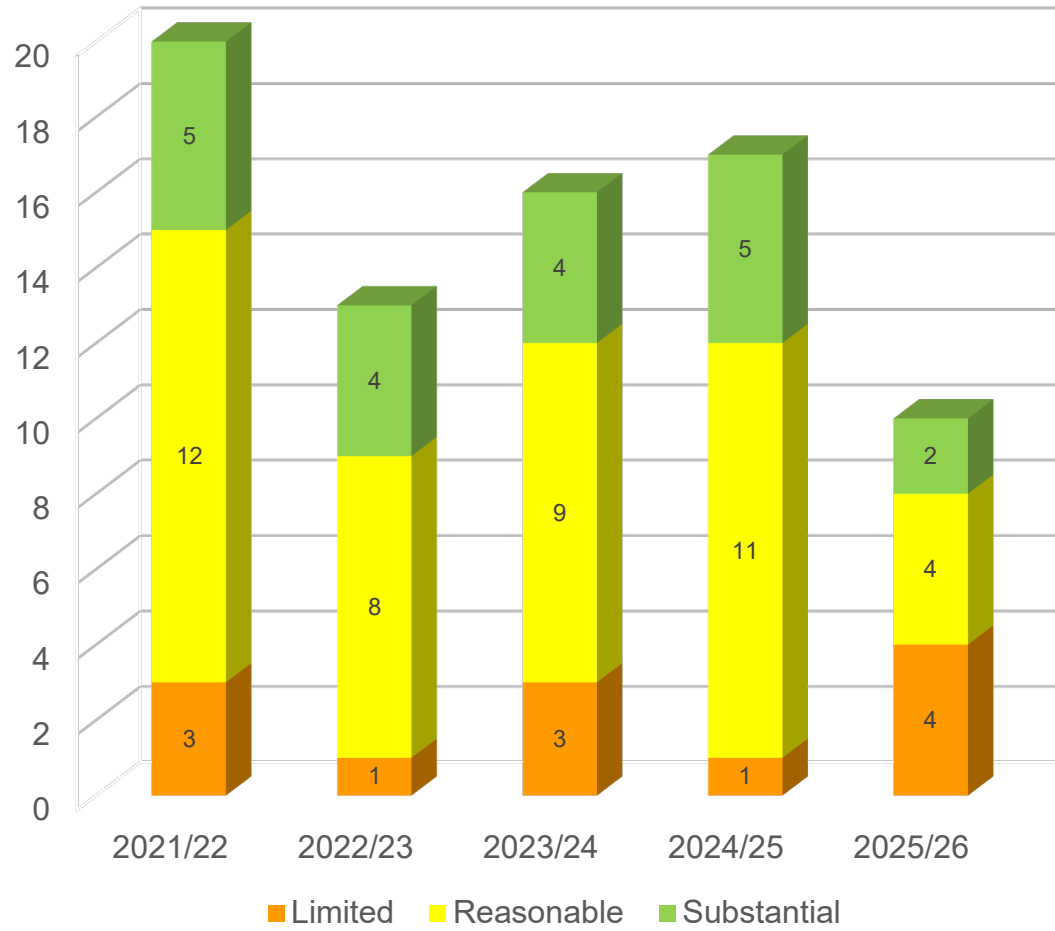
Appendix 1 – Summary of Audit Opinions

Audit Opinions by Year

The table below, and bar chart on the following page, shows the audit opinions over the last five years for assurance work outcomes only.

Audit Year	Total Audits	Number with Substantial assurance	Number with Reasonable assurance	Number with Limited assurance	Number with No Assurance
2021/22	20	5	12	3	0
2022/23	13	4	8	1	0
2023/24	16	4	9	3	0
2024/25	17	5	11	1	0
2025/26	10	2	4	4	0
Total	76	20	44	12	0

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Appendix 2 – For Your Information

Definitions for overall assurance opinions and recommendation ratings are shown below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.
Position Statement	Advisory work.

Urgent – Priority 1	Fundamental control issue on which action to implement should be taken within 1 month.
Important - Priority 2	Control issue on which action to implement should be taken within 3 months.
Routine – Priority 3	Control issue on which action to implement should be taken within 6 months.

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Audit Committee Work Programme 2026 – 2027

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
15 th June 2026	Appointment of Vice Chair for the Municipal Year 2025/2026	Operational	Democratic Services Officer	To appoint a Vice Chair for the Municipal Year 2025/2026.
	External Auditors - 2024/25 Auditors Annual Report		EY – D Riglar	
	External Auditors - 2025/26 Audit Plan		EY – D Riglar	
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	Draft 2026 Annual Governance Statement		Charlotte Marriott	To consider the draft AGS
	2026-2027 Corporate Risk register update		Debbie Ess	To report progress and update on the Risk Register.
	Annual Internal Audit Progress Report		Teresa Sharman	The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
	Annual internal Audit Opinion Report		Teresa Sharman	This report concludes on the Internal Audit Activity undertaken during the prior year, provides an annual opinion concerning the organisation's framework of governance, risk management and control, concludes

				on the effectiveness of internal audit and provides key information for the Annual Governance Statement.
	Work Programme 2026/2027			To identify any items for the work programme.
14th 2026	September			
	Work Programme 2026/2027			To identify any items for the work programme.
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	2026-2027 Corporate Risk register update		Debbie Ess	To report progress and update on the Risk Register.
	Annual Treasury Outturn Report 2025/2026		Carl Holland	The Council must make an annual review of its Treasury operation for the previous year, as part of the CIPFA code of Practice.
	Anti Fraud and Corruption Action Plan Update		Carl Holland	Fraud and Error reports are to be presented by Internal Audit to the Audit Committee routinely, to ensure the Council maintains compliance with the Anti-Fraud & Anti-Corruption Policy and associated regulation.
	Fraud & Error Progress Report		Carl Holland	To report the fraud and error progress for the last year.

16th 2026	November			
	Work Programme 2026/2027			To identify any items for the work programme.
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	2026-2027 Corporate Risk register update		Debbie Ess	To report progress and update on the Risk Register.
	Audit Committee Self Assessment Review and Action Plan		Teresa Sharman	To report on the outcomes from the Audit Committee Self-Assessment Review.
	Half year Internal Audit Progress Update		Teresa Sharman	The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
	Annual Treasury Quarter 2 Monitoring Report		Carl Holland	The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) and remains fully compliant with its requirements. One of the primary requirements of the Code is, receipt by Audit Committee of a Quarterly Review Report.

	Business Continuity Annual update		Michelle Drewery	To provide an annual update.
	Annual Governance Statement Action Plan		Charlotte Marriott	To report the action plan on the Annual Governance Statement to the Committee
	Annual performance report on council companies		Charlotte Marriott	To report on the performance on West Norfolk Housing Company and West Norfolk Property Limited
15th February 2027				
	Final 2026 Annual Governance Statement		Charlotte Marriott	To approve the final 2026 annual governance statement.
	2026-2027 Corporate Risk register update		Debbie Ess	To report progress and update on the Risk Register.
	Annual Treasury Quarter 3 Monitoring Report		Carl Holland	The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) and remains fully compliant with its requirements. One of the primary requirements of the Code is, receipt by Audit Committee of a Quarterly Review Report.
	Work Programme 2026/2027			To identify any items for the work programme.
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.



Forward Decisions List

The Forward Decision List outlines the Cabinet's upcoming decisions over the next few months. It specifies which decisions are considered significant and indicates those that may lead to portions of the meeting being conducted in private. In addition, the list highlights the responsible Lead Officer and Portfolio Holder.

This document will be updated and republished on the Council's website each month. Any queries relating to the Forward Decision List should be forwarded to Democratic Services: Democratic.Services@West-Norfolk.gov.uk

What is a Key Decision?

Key decisions are defined as an executive decision which is likely:

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- (a) To result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or (significant relates to £500,000 or more)*
- (b) To be significant in terms of its effect on communities living or working in the area comprising two or more wards and electoral divisions in the Council's areas. (significant relates to one third of the population in a ward).*

The key decision and non-key decision process is only for decisions made by the Executive, i.e. not those made at Planning, Council, Licensing etc. When assessing whether or not a decision is a key decision the decision maker must consider all the circumstances of the case. However, a decision which results in a significant amount spent or saved will generally be considered to be a key decision.

Why might a decision be made in private?

Members of the public may be excluded from a meeting or information if the nature of the business to be discussed is likely to involve the disclosure of exempt information such as details that could identify an individual or pertain to the financial or commercial interests of a person or organisation. Such information should only be made exempt, if it is in the public interest to do so under Schedule 12A of the Local Government Act 1972.



Cabinet Members:

Councillor Alistair Beales: Leader
Councillor Simon Ring: Deputy Leader and Portfolio Holder for Business
Councillor Jim Moriarty: Portfolio Holder for Planning and Licensing
Councillor Sandra Squire: Portfolio Holder for Environmental and Coastal
Councillor Michale de Whalley: Portfolio Holder for Climate Change and Biodiversity
Councillor Chris Morely: Portfolio Holder for Finance
Councillor Jo Rust: Portfolio Holder for People and Communities
Councillor Sue Lintern: Portfolio Holder for Culture and Events

Cabinet Members can be contacted directly and their contact details can be found via our website: [Committee details - Cabinet](#)

Senior Management

Kate Blakemore: Chief Executive
Michelle Drewery: Deputy Chief Executive and Section 151 Officer
Emma Kavanagh: Chief Operating Officer
Emma Hodds: Chief of Staff and Monitoring Officer
Siobhan Cleeve: Interim Assistant Director Leisure and Culture
Stuart Ashworth: Assistant Director Environment and Planning
Liz MacDonald: Assistant Director Property & Projects
Martin Chisholm: Assistant Director Operations & Commercial
Duncan Hall: Assistant Director Regeneration, Housing & Place
Carl Holland: Assistant Director for Finance and Deputy Section 151 Officer
Honor Howell: Strategic Lead to the Chief Executive and Leader
Paul Lowes: Assistant Director Corporate Services
Mark Whitmore: Assistant Director, Health, Wellbeing and Public Protection

Members of the Senior Management team can be contacted directly via esteam@west-norfolk.gov.uk



JUNE 2026						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
09 June 2026	King's Lynn and West Norfolk new Local Plan - Governance arrangements for the plan-making process	Key	Cabinet	Cabinet Member for Planning and Licensing	Assistant Director, Environment and Planning (Stuart Ashworth)	Open
09 June 2026	Appointment to Cabinet Sub Committees and Task Groups for 2026 - 2027	Non	Cabinet	Leader of the Council	Chief of Staff and Monitoring Officer (Emma Hodds)	Open
09 June 2026	West Norfolk Economic Strategy and Action Plan	Non	Cabinet	Deputy Leader and Cabinet Member for Business	Assistant Director, Regeneration, Housing & Place (Duncan Hall)	Open
09 June 2026	EXEMPT - Disposal of Land at Hunstanton	Key	Cabinet	Deputy Leader and Cabinet Member for Business	Assistant Director, Property (Liz MacDonald)	Fully exempt 3 Information relating to the financial or business affairs of any particular person (including



						the authority holding that information)
09 June 2026	Data Protection Policy	Non	Cabinet	Leader of the Council	Chief of Staff and Monitoring Officer (Emma Hodds)	Open
09 June 2026 25 June 2026	Health and Safety Policy and Statement of Intent	Non	Cabinet Council	Cabinet Member for People and Communities	Assistant Director, Health, Wellbeing and Public Protection (Mark Whitmore)	Open

JULY 2026

Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
14 July 2026	Local Plan Scoping (Regulations 29) - Consultation Materials	Key	Cabinet	Cabinet Member for Planning and Licensing	Assistant Director, Environment and Planning (Stuart Ashworth)	Open
14 July 2026	Full Year Performance Management Report 2025 - 2026	Non	Cabinet	Leader of the Council	Chief of Staff and Monitoring Officer (Emma Hodds)	Open
14 July 2026	Building Safety Levy - Proposed	Non	Cabinet	Cabinet Member for Planning and Licensing	Assistant Director, Environment and	Open



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	administration by CNC Building Control				Planning (Stuart Ashworth)	
14 July 2026	CIL Strategic Project Funding	Key	Cabinet	Cabinet Member for Planning and Licensing	Assistant Director, Environment and Planning (Stuart Ashworth)	Open
14 July 2026	Revenue Outturn 2025 -2026	Non	Cabinet	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
14 July 2026	Capital Outturn 2025 - 2026	Non	Cabinet	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
14 July 2026 29 July 2026	Padel	Key	Cabinet Council	Deputy Leader and Cabinet Member for Business	Assistant Director, Leisure and Culture (Siobhan Cleeve)	Open
SEPTEMBER 2026						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
08 September 2026	Business Improvement District - Business Plan	Key	Cabinet	Deputy Leader and Cabinet Member for Business	Assistant Director, Regeneration, Housing & Place (Duncan Hall)	Open



08 September 2026	Lynnsport Proposals	Key	Cabinet Council	Deputy Leader and Cabinet Member for Business	Strategic Advisor to the CEO and Leader (Honor Howell)	Open
24 September 2026						
08 September 2026	National Planning Scheme of Delegation	Non	Cabinet Council	Cabinet Member for Planning and Licensing	Assistant Director, Environment and Planning (Stuart Ashworth)	Open
24 September 2026						
OCTOBER 2026						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
13 October 2026	King's Lynn Masterplan and Parking Strategy	Key	Cabinet Council	Deputy Leader and Cabinet Member for Business	Assistant Director, Regeneration, Housing & Place (Duncan Hall)	Open
29 October 2026						
13 October 2026	Hunstanton Masterplan and Parking Strategy	Key	Cabinet Council	Deputy Leader and Cabinet Member for Business	Assistant Director, Regeneration, Housing & Place (Duncan Hall)	Open
29 October 2026						
NOVEMBER 2026						



Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
17 November 2026	Budget Monitoring Quarter 2	Non	Cabinet	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
17 November 2026	Council Tax Support Scheme for Working Age people for 2027/2028	Key	Cabinet	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
03 December 2026			Council			
JANUARY 2027						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
FEBRUARY 2027						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
03 February 2027	Budget Monitoring Quarter 3	Non	Cabinet	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open



03 February 2027 25 February 2027	Medium Term Financial Strategy 2026-2031	Key	Cabinet Council	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	
03 February 2027 25 February 2027	Capital Programme 2026-2030	Key	Cabinet Council	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
03 February 2027 25 February 2027	Treasury Management Strategy	Key	Cabinet Council	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	
03 February 2027 25 February 2027	Capital Strategy	Key	Cabinet Council	Cabinet Member for Finance	Assistant Director, Finance and Deputy Section 151 Officer (Carl Holland)	Open
TO BE SCHEDULED						
Date of meeting	Report title	Key or Non-Key Decision	Decision Maker	Cabinet Member/Portfolio	Lead Officer	Open or Exempt
	King's Lynn Conservation Area Appraisal and Management Plan	Non	Cabinet, Council	Cabinet Member for Planning and Licensing	Assistant Director, Environment and Planning (Stuart Ashworth)	Open

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	Empty Homes Strategy Review	Key	Council	Cabinet Member for People and Communities	Assistant Director, Health, Wellbeing and Public Protection (Mark Whitmore)	Open
	Housing Assurance Strategy	Non	Council	Cabinet Member for People and Communities	Assistant Director, Health, Wellbeing and Public Protection (Mark Whitmore)	Open
	Domestic Abuse Tenants/Residents Policy and Domestic Abuse Intersectionality Policy	Non	Council	Cabinet Member for People and Communities	Assistant Director, Regeneration, Housing & Place (Duncan Hall)	Open
	IT Hardware Refresh	Key	Cabinet	Cabinet Member for Finance	Assistant Director, Corporate Services (Paul Lowes)	Fully exempt
	Heacham Beach Huts	Key	Cabinet	Deputy Leader and Cabinet Member for Business	Assistant Director, Property (Liz MacDonald)	Part exempt 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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