

Eastern Internal Audit Services



BOROUGH OF KINGS LYNN AND WEST NORFOLK COUNCIL

Strategic and Annual Internal Audit Plans 2022/23

Responsible Officer: Faye Haywood, Internal Audit Manager

CONTENTS

1. INTRODUCTION.....	2
2. INTERNAL AUDIT CHARTER	2
3. STRATEGIC INTERNAL AUDIT PLAN.....	3
4. ANNUAL INTERNAL AUDIT PLAN.....	3
APPENDIX 1 – INTERNAL AUDIT CHARTER.....	5
APPENDIX 2 – STRATEGIC INTERNAL AUDIT PLAN	13
APPENDIX 3 ANNUAL INTERNAL AUDIT PLAN 2022/23	19

1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) mandate a periodic preparation of a risk-based plan, which must incorporate or be linked to a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities, this is set out in the Internal Audit Strategy.
- 1.3 The development of a risk-based plan takes into account the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. This is then also applied when carrying out individual risk-based assignments to provide assurance on part of the risk management framework, including the mitigation of individual or groups of risks.
- 1.4 The following factors are also taken into account when developing the internal audit plan:
 - The risk profile and maturity of the Council;
 - Previous assurance gradings given in each area;
 - Any declarations to avoid conflicts of interest;
 - The requirements of the use of specialists e.g., IT auditors;
 - Striking the right balance over the range of reviews needing to be delivered, for example systems and risk-based reviews, specific key controls testing, value for money and added value reviews;
 - Allowing contingency time to undertake ad-hoc reviews or fraud investigations as necessary;
 - The time required to carry out the audit planning process effectively as well as regular reporting to and attendance at Audit Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.
- 1.5 In accordance with best practice the Audit Committee should ‘*review and assess the annual internal audit work plan*’.

2. INTERNAL AUDIT CHARTER

- 2.1 There is an obligation under the PSIAS for the Charter to be periodically reviewed and presented. This Charter is therefore reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to Senior Management and the Audit Committee every two years, or as required for review.
- 2.2 The internal audit management arrangements changed in 2021 with the Head of Internal Audit at Eastern Internal Audit Services (EIAS) now providing management support to the in-house team. This has prompted a review of the Charter which is provided for approval at **Appendix 1**.

3. STRATEGIC INTERNAL AUDIT PLAN

- 3.1 The overarching objective of the Strategic Internal Audit Plan **see Appendix 2**, is to provide a comprehensive programme of review work over the next three years, with each year providing sufficient audit coverage to give annual opinions, which can be used to inform the organisation's Annual Governance Statement.
- 3.2 The coverage over the forthcoming three years has been discussed with the Management Team to ensure audits are undertaken at the right time, at a time where value can be added, as well as ensuring sufficient coverage for an Annual Opinion on the framework of governance, risk management and control. The discussions also went into greater detail in relation to the scope of the audits for the forthcoming financial year.

4. ANNUAL INTERNAL AUDIT PLAN

- 4.1 Having developed the Strategic Internal Audit Plan, the Annual Internal Audit Plan is an extract of this for the forthcoming financial year **Appendix 3**. The plan includes the areas being reviewed by Internal Audit, the number of days for each review, the quarter during which the audit will take place and a brief summary and purpose of the review.
- 4.2 The Annual Internal Audit Plan for 2022/22 totals 227 audit days. A total of 20 Internal Audit reviews will be completed, three of which cover IT processes. A further 50 days have been assigned to audit management work in accordance with the agreement between the Council and EIAS for tasks such as quality assurance, follow up, advice and guidance, Audit Committee papers and attendance. The 2022/23 plan provides 277 days' worth of coverage in total.

Risk Maturity

- 4.3 In accordance with best practice, the risk maturity of the Council has been considered to understand to what degree reliance can be placed on the risk register when formulating the Internal Audit Plan. No significant issues have been identified from the risk maturity assessment undertaken by the Internal Audit Manager, however a number of potential enhancement opportunities have been identified.
- 4.4 As part of this work, the policy, strategy, reports and risk registers were obtained to give an indication of maturity by comparing the Council's approach against a set of defined criteria. There are five maturity points and the initial exercise has established that the Council's approach is most consistent with the third point in the scale, 'risk defined'. The definition for this level is as follows.

Risk Defined - Strategy and policies are in place and communicated. Risk appetite is defined. Internal Audit approach - Liaise with risk management and use management assessment of risk where appropriate.

- 4.5 In order to enhance the Council's approach to Risk Management the suggested actions will be proposed following a discussion with the Corporate Performance Manager regarding the assessment findings. A report containing the outcomes of this work will be circulated to the Audit Committee finalised.

IT Audit Resource

- 4.6 As reported to Audit Committee as part of the Public Sector Internal Audit Standards paper in November 2021, the standards require that Internal Auditors only engage in those areas

for which they have the necessary knowledge, skills and experience. Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. Competent advice and assistance must be obtained if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

- 4.7 The Internal Audit team are currently involved in auditing IT controls within the current internal audit plan. The in-house resource does not currently hold a relevant IT audit qualification i.e., CIISA or QICA and or relevant experience required to provide assurance on technical IT controls.
- 4.8 The suggested 2022/23 plan currently includes 18 days of IT audit coverage in Network Infrastructure and Security, IT Governance and Software Licencing. It is proposed that audits of IT Governance and Software Licencing will be completed using the existing Internal Audit resources.
- 4.9 Due to the nature of the risks raised in the strategic risk register relating to cyber security, a technical understanding of the system controls required to prevent this risk from occurring would be required to provide assurance on Network Infrastructure and Security. It has therefore been agreed that 10 days of specialist IT resource will be provided by EIAS.

APPENDIX 1 – INTERNAL AUDIT CHARTER

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

INTERNAL AUDIT CHARTER FOR 2022/23

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1st April 2013; these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an Internal Audit Charter; this formally defines Internal Audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The Charter also displays formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e. the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to all staff members both internal and externally sourced responsible for the Internal Audit function at the Borough Council of King's Lynn and West Norfolk.
- 1.5 The Accounts and Audit Regulations 2015 set out that:
A relevant authority must ensure that it has a sound system of internal control which:
 - (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - (b) ensures that the financial and operational management of the authority is effective; and
 - (c) includes effective arrangements for the management of risk.

A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

A relevant authority must, each financial year:

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
- (b) prepare an Annual Governance Statement.

1.6 Mission Statement

Standards require the Internal Audit function to articulate its overall purpose and summarise the way it will provide value to the organisation. The mission statement for the Internal Audit function is as follows:

“Adding value to Borough of Kings Lynn and West Norfolk Council through our detailed understanding. We provide independent assurance, focused insight and aim to protect the Council against the impact of and possibility of fraud”

1.7 This Charter:

- Establishes the position and reporting lines of Internal Audit.
- Outlines provision for unrestricted access to information, officers, management and Members as appropriate;
- Sets the tone for Internal Audit activities;
- Defines the nature and scope of Internal Audit services, in particular assurance and consultancy services; and
- Sets out the nature and scope of assurance provided to other parties.

1.8 The Charter is to be periodically reviewed and presented to Senior Management and the Board for approval. The Charter will be reviewed annually by the Chief Audit Executive to confirm its ongoing completeness and validity and presented to Senior Management and the Board every two years for review.

2 Purpose, Authority and Responsibility

2.1 Purpose

2.1.1 Internal auditing is best summarised through its definition with the Standards, *“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”*.

2.1.2 In the Council, Internal Audit provides independent and objective assurance to the organisation, its Members, Senior Management (defined as the Management Team) and in particular the Assistant Director Resources (S151 Officer) to help discharge her responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs.

2.1.3 In addition, the Accounts & Audit Regulations 2015 specifically require the provision of an Internal Audit service. In line with regulations, Internal Audit provides independent assurance on the adequacy of the Council’s governance, risk management and internal control systems.

2.1.4 Internal Audit is required to comply with the Public Sector Internal Audit Standards (PSIAS) in undertaking its work. Internal Audit operates, in accordance with PSIAS, a Quality Assurance & Improvement Programme (QAIP) to provide assurance as to Internal Audit’s continuing compliance with PSIAS.

2.2 Authority

2.2.1 The Accounts and Audit Regulations (England) 2015, states that the relevant body must; *“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”*. The statutory requirement for internal audit is recognised in the Constitution of each Local Authority and the internal auditing standards in this regard are the Public Sector Internal Audit Standards.

2.3 Responsibility

- 2.3.1 The responsibility for maintaining an adequate and effective internal audit to evaluate risk management, control and governance processes lies with each Local Authority's Chief Finance Officer (the Section 151 Officer).
- 2.3.2 The Local Authority and its Members must be satisfied about the adequacy of the advice and support it receives from Internal Audit.
- 2.3.3 Internal Audit is provided by an in-house Internal Audit team, with the Chief Audit Executive responsible for ensuring the Internal Audit activity is undertaken in accordance with the Definition of Internal Auditing, the Code of Ethics and the Standards.
- 2.3.4 Senior Management are responsible for ensuring that internal control, risk management and governance arrangements are sufficient to address the risks facing the Local Authority. Accountability for responding to Internal Audit rests with Senior Management who either accept and implement the recommendations, or formally reject them. Any advice that is rejected will be formally reported.

3 Key Relationships and Position in the Organisation

- 3.1 The standards require the terms 'Chief Audit Executive', 'Board' and 'Senior Management' to be defined in the context of the governance arrangements in each public sector organisation in order to safeguard the independence and objectivity of Internal Audit. The following interpretations are applied.

3.2 Chief Audit Executive

- 3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Internal Audit Manager role to the Borough Council of King's Lynn and West Norfolk through a Section 113 Agreement.
- 3.2.2 The Internal Audit Manager is an independent CMIIA qualified individual reporting administratively to the Chief of Staff at South Norfolk Council and functionally to the Assistant Director Resources (S151 Officer) at the Borough Council of King's Lynn and West Norfolk.
- 3.2.3 The Internal Audit Manager also has a direct line of reporting and unfettered access to the Chief Executive, Senior Management and the Chair of the Board.
- 3.2.4 The delivery of the Annual Audit Plans and any specified ad-hoc assignments is provided by an in-house team. The Senior Internal Auditor of the in-house team reports functionally to the Internal Audit Manager and administratively to the Assistant Director Resources.

3.3 Board

- 3.3.1 In the context of overseeing the work of Internal Audit, the 'Board' will be the Audit Committee, which has been established as part of the governance arrangements of the Council. The Audit Committee's responsibilities are discharged through the Constitution and are explicitly referred to in its terms of reference.
- 3.3.2 In the context of Internal Audit, the Audit Committee are responsible for:

- Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- Monitor action taken on risk-related issues identified by auditors.
- Review Internal Audit's strategy and plan, and monitor performance.
- Review summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- Receive the Annual Report of the Audit Manager.
- 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.
- Monitor management action in response to any issues raised by Internal Audit.

3.3.3 Internal Audit works closely with the Chair and Members of the Audit Committee to facilitate and support their activities, part of which includes facilitating a self-assessment and providing training.

3.4 Senior Management

3.4.1 'Senior Management' known as 'Management Team' is those individuals responsible for the leadership and direction of the organisation, including Statutory Officers who are responsible for specific aspects of internal control, risk management and governance arrangements. There is effective liaison between Internal Audit and Management Team to ensure that independence remains, and provides for a critical challenge.

3.4.2 The Internal Audit Manager meets regularly with the Section 151 Officer to ensure organisational awareness is maintained, to discuss progress with the agreed Internal Audit Plan and to maintain a good working relationship. These arrangements facilitate discussions in relation to the current and emerging risks and issues to ensure that the Internal Audit plan of work remains reflective and responds as required.

3.5 External Audit

3.5.1 Regular liaison is maintained with External Audit to consult on audit plans, and to discuss matters of mutual interest. The external auditors have the opportunity to take account of the work of Internal Audit where appropriate.

4 **Rights of Access**

4.1 Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have the right of access to all records, assets, personnel and premises and has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. This access is full, free and unrestricted and is set out within the constitution.

4.2 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

5 **Objective and Scope**

5.1 The provision of assurance services is the primary role of Internal Audit, thus allowing the Internal Audit Manager to provide an annual audit opinion on the adequacy and

effectiveness of the Local Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.

- 5.2 Internal Audit will also provide consultancy services, at the request of management. These reviews are advisory in nature and generally performed to facilitate improved governance, risk management and control. This work may contribute to the Annual Audit Opinion.
- 5.3 Whichever role / remit is carried out by Internal Audit the scope is to be determined by Internal Audit, through discussions with Senior Management; however, this scope will not be unduly biased, nor shall it be restricted.
- 5.4 A risk based Strategic Internal Audit Plan will be developed each year to determine an appropriate level of risk-based audit coverage required to generate an Annual Audit Opinion. The plan will be derived from risk assessments, discussions with Senior Management and Audit Committee taking prior year's assurance results into account. Internal Audit's remit extends to the entire control environment of the Council.
- 5.5 Each audit review will be designed to provide evidence-based assurance over the management of risk and controls within that area. The results of each review will be shared with management so that any required improvements can be actioned to restore satisfactory systems of internal control.
- 5.6 It is management's responsibility to control the risk of fraud and corruption; however, Internal Audit will be alert to such risks in all the work that is undertaken. The Senior Internal Auditor is responsible for managing the delivery of the Council's anti-fraud and anti-corruption policy and responsibilities included within this role are referenced within section 6.2 of the Internal Audit Charter.

6 Independence and Objectivity

- 6.1 Internal Audit must be sufficiently independent of the activities that are audited to enable an impartial, unbiased and effective professional judgement. All internal auditors annually confirm their adherence to the Code of Ethics, which sets out the minimum standards for performance and conduct. The four core principles are integrity, objectivity, confidentiality and competency.
- 6.2 The Senior Internal Auditor is responsible for the Counter Fraud and Corruption policy at the Council. This represents 50% of the role and this individual undertakes the following:
 - Delivery of the Council's Anti-Fraud and Anti-Corruption policy including risk assessment and anti-fraud and corruption plan.
 - Reporting to the Audit Committee on the adequacy of the Council's approach to Anti-Fraud and Corruption.
 - Fraud investigations.
 - Coordinating the National Fraud Initiative data matching exercise.
 - Assisting Revenues and Benefits teams with fraud investigations and providing advice.
 - Policy update and review.
 - Anti-Fraud and Anti-Corruption Risk Register for the Council.

The Internal Audit Manager will provide independent objective assurance over the adequacy of the Anti-Fraud and Anti-Corruption arrangements periodically as part of the risk-based planning process to safeguard independence of the Internal Audit function.

- 6.3 Internal Audit has no operational responsibility or authority over any other activities which they are required to review. They do not engage in any other activity, which would impair their judgement, objectivity or independence. Any identified threats to independence or objectivity of individual auditors or the Internal Audit function will be managed by the Internal Audit Manager and reported to the Assistant Director Resources and / or Audit Committee.
- 6.4 If the independence or objectivity of the Internal Audit Manager is impaired, or appears to be, the details of the impairment will be disclosed to the Assistant Director Resources and / or Management Team. The nature of the disclosure will depend upon the impairment.

7 Professional Standards

- 7.1 The Internal Audit function and all Internal Audit staff operate in accordance with all mandatory guidance within the PSIAS including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and Definition of Internal Auditing. Internal Auditors also have regard for the principles contained within the Standards of Public Life.

8 Internal Audit Resources

- 8.1 The staffing of Internal Audit will be kept under review by the Assistant Director Resources (S151 Officer) and the Internal Audit Manager, bearing in mind the resource requirements identified in the strategic audit plan and the overall needs of the Council.
- 8.2 If the Internal Audit Manager or those charged with governance consider that the level of audit resources limits the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver an appropriate service, they should advise the Council accordingly.
- 8.3 The Internal Audit Manager is professionally qualified CMIIA and has wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.4 The Internal Audit Manager is supported by the Senior Internal Auditor in ensuring the Internal Audit function has access to a team of staff who have the appropriate range of knowledge, skills and experience to deliver the audit plan.

9 Audit Planning

- 9.1 The Strategic and Annual Internal Audit Plan of work, is derived using a risk-based approach by the Internal Audit Manager. This is discussed with Management Team and approved by the Audit Committee. The Internal Audit Manager is responsible for the delivery of the Internal Audit Plan, which will be kept under regular review and reported to the Audit Committee.

10. Audit Reporting

- 10.1 On conclusion of each assurance review included within the Annual Internal Audit Plan, a report will be provided to management giving an opinion on the adequacy of controls in place to manage risk. This report will provide an assurance level and associated recommendations to ensure that risks are appropriately addressed.
- 10.2 Management can choose not to accept / implement the recommendations raised; in all instances this will be reported through to the Audit Committee, especially in instances whereby there are no compensating controls justifying the course of action.

- 10.3 A Progress Report is periodically presented to the Audit Committee which includes the Executive Summary of all final reports, any significant changes to the approved plan and the performance of the Internal Audit team relative to completing the agreed plan.
- 10.4 A Recommendations Follow-Up Report is also periodically produced for Management Team and the Audit Committee showing management progress against the implementation of agreed recommendations arising from Internal Audit assurance reports. The Internal Audit Team will verify and obtain evidence to demonstrate recommendation completion from responsible officers.
- 10.5 An Internal Audit Annual Report and Opinion is produced for Management Team and the Audit Committee following the completion of the Annual Audit Plan each financial year. This report includes a summary of all Internal Audit work carried out, details of recommendations that have been implemented by management and the Annual Opinion.
- 10.6 The Annual Opinion is based on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control during the financial year, together with reasons if the opinion is unfavourable. This opinion is reached by considering the results from assurance reviews undertaken throughout the year.
- 10.7 The report also highlights any issues that are deemed particularly relevant to the Annual Governance Statement (AGS) and the results of the review of the effectiveness of Internal Audit.

11 Quality Assurance and Improvement Programme

- 11.1 The Standards require a Quality Assurance and Improvement Programme to be developed that covers all aspects of Internal Audit, including both internal and external assessments.
- 11.2 If an improvement plan is required as a result of the internal or external assessment, the Internal Audit Manager will coordinate appropriate action and report this to Management Team and the Audit Committee, as part of the Annual Report and Opinion.
- 11.3 Internal Assessment
 - 11.3.1 Internal assessment includes the ongoing monitoring of the performance through the performance measures. These form a key part of management information on the adequacy of the Internal Audit function and are subject to quarterly reporting to the Internal Audit Manager and Assistant Director Resources for review.
 - 11.3.2 On conclusion of audit reviews a feedback form is provided to the key officer identified during the audit process. Outcomes are reviewed and relevant improvements discussed with each auditor.
 - 11.3.3 The Standards also require periodic self-assessment in relation to the effectiveness of Internal Audit, the detail and outcomes of which are then forwarded to the Assistant Director Resources for independent scrutiny, before the summary of which is provided to the Audit Committee as part of the Annual Report and Opinion. This information enables the Committee to be assured that the Internal Audit service is operating in accordance with best practice.
- 11.4 External Assessment

11.4.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council. This can be in the form of a full external quality assessment that involves interviews with relevant stakeholders, supported by examination of the Internal Audit approach and methodology leading to the completion of an independent report, or a validated self-assessment, which the Internal Audit Manager compiles against the PSIAS assessment tool, which is then validated by an external assessor/team.

11.4.2 An external assessment will:

- Provide an assessment on the Internal Audit function's conformance to the Standards;
- Assess the performance of the Internal Audit activity in light of its Charter, the expectations of the various Boards and Executive Management;
- Identify opportunities and offer ideas and counsel for improving the performance of the Internal Audit activity, raising the value that Internal Audit provides to the organisation; and
- Benchmark the activities of the Internal Audit function against best practice.

11.4.3 The last external assessment was undertaken in September 2014 and the conclusion of the review was: partially conforms. A series of suggested recommendations were advised which are currently being progressed by the team in time for the next assessment scheduled October 2022.

APPENDIX 2 – STRATEGIC INTERNAL AUDIT PLAN

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
Annual Opinion and Corporate audits						
Corporate Governance	Not recently reviewed	Essential to work for annual opinion on governance risk management and control	10			
Data Protection inc CCTV	2018/19 Substantial 2021/22 Substantial					
Risk Management	2018/19 Substantial	Essential to work of annual opinion on governance risk management and control		10		
Capital Programme	2016/17 Substantial 2021/22 Audit Due					
Procurement and Contract Management	2018/19 Substantial	Essential to work for annual opinion on governance risk management and control	12			
Key Controls and Assurance	New Area	Essential work for annual opinion on governance risk management and control	15	15	15	15
Annual Governance Statement	2019/20 Substantial					8
Business Planning & Performance Management	2012/13 Full	Essential work for annual opinion on governance risk management and control	12			
Complaints and FOI Policies	Not recently reviewed 2015/16 Limited 2021/22 Audit Due			10		
Project Management Framework	Not recently reviewed	Medium risk raised in CRR 1.4 due diligence of projects, 2.9 delivery of major projects.	8			
Safeguarding	2018/19 Substantial			8		
Legal Services	2018/19 Substantial					8
Counter Fraud and Corruption Framework	2019/20 Substantial	Medium risk raised in CRR 1.8 fraud and corruption impact		10		
Cost Reduction Programme	2018/19 Substantial	Medium risk raised in CRR 1.2 impact on staff	10			
Corporate Health and Safety	2013/14 Substantial 2020/21 Substantial	Medium risk raised in CRR - 6.3 impact of H&S risks	10			
Elections and Electoral Registration	2010/11 Full		10			

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
Fundamental Financial Systems						
Accountancy Services includes control accounts, banking, bank reconciliation, asset management / capital expenditure, budgetary control and treasury management	Treasury 2019/20 Substantial Budget Control 2015/16 Full 2021/22 Audit Due Asset Register 2015/16 Substantial	High risk raised in the CRR - Financial Plan	16		16	
Accounts Payable	2016/17 Substantial 2021/22 Audit Due				12	
Accounts Receivable	2017/18 Full		10		10	
Income	Not recently reviewed		10		7	
Council Tax and National Non-Domestic Rates	2015/16 Substantial 2021/22 Audit Due	High risk in CRR Business Rates		15		15
Covid Business Grants	2021/22 Consultancy					
Local Council Tax Support and Housing Benefits	2015/16 Substantial 2021/22 Audit Due			15		15
Financial Management System	2015/16 Full 2021/22 Reasonable	High risk raised in the CRR - 1.17 Financial Ledger Software Replacement		10		
Payroll and Human Resources	2016/17 Full 2021/22 Audit Due	Medium risk 1.7 Capacity		15		15

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
Service Area audits						
Central Services						
Organisational Development - Training	2011/12 Full					8
Democratic Services	2014/15 Substantial				10	
Customer Services	Not recently reviewed			12		
Programme and Project						
West Norfolk Housing Company Ltd	Not recently reviewed	Medium risk raised in CRR 2.3 Major housing development opposition. 2.8 Homes England terms breached.		10		
West Norfolk Property Ltd	Not recently reviewed			10		
Operations and Commercial						
Crematorium	2017/18 Substantial				8	
Markets	Not recently reviewed			10		
Environmental Health includes, environmental protection, pest control, infectious diseases, fly-tipping.	2011/12 Full		12			
Public Open Space inc play areas, tree management	Not recently reviewed				10	
Car Parking and Civil Enforcement	2020/21 Substantial					12
Waste Management including contract / agreement monitoring, income collection & monitoring, refuse collection, street cleansing, recycling, clinical waste, abandoned vehicles and grounds maintenance	2016/17 Limited 2021/22 Audit due			10		

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
Service Area audits						
Community and Partnerships						
Housing Standards - HMO	2018/19 Limited 2021/22 Audit Due					
Care and Repair Agency and Careline Community Services	2015/16 Substantial			10		
Private Sector Housing includes DFGs and discretionary grants	2019/20 Substantial			10		
Homelessness and Housing Options	2016/17 Substantial		12			
Partnership working	2017/18 Substantial				10	
Anti Social Behaviour - Community Safety and Neighbourhood Nuisance	2014/15 Full		10			
Alive West Norfolk						
Alive West Norfolk	2020/21 Audit Due	High risk raised in the CRR - Provision of Leisure and Cultural Services		10		
Regeneration Housing and Place						
Tourism and Place Marketing	2021/22 Substantial					
Economic Growth	2012/13 Full	High risk raised in the CRR - 2.2 - Empty Retail Properties/Town Centre Decline 2.1 - Local Employment	12		10	
Housing Strategy	2019/20 Full			10		
Heritage	New Area				10	
Future High Streets and Towns Fund	New Area		10			
Property and Projects						
Property Services	Not recently reviewed				10	

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
Service Area audits						
Environment and Planning						
Flood and Water Management	Not recently reviewed			10		
Strategic Housing	Not recently reviewed					
Climate Sustainability	New Area	Medium risk in CRR - 3.2 carbon emissions	10		8	
Licencing	2016/17 Substantial 2021/22 Audit Due					
Emergency Planning	2021/22 Reasonable	Medium risk raised in CRR - 1.1 CAT 1 responder 6.2 flood event			10	
Food Health and Safety	2016/17 Substantial 2021/22 Audit Due					
Corporate Business Continuity	2016/17 Substantial	High risk raised in the CRR - Covid-19 Medium Risk raised in CRR in relation to being CAT 1 responder.	10			
Building Control	New Area				6	
Planning inc Strategy technical support and Enforcement	2017/18 Limited 2021/22 Substantial	Medium risk raised in CRR 2.4 2.6 Land Supply/opportunity not sufficient		12		
Section 106 Arrangements - CIL	Substantial 2019/20				10	

Audit Area	Last review & assurance	Associated Risk	2022/23	2023/24	2024/25	2025/26
ICT Audits						
Network Infrastructure and Security	2013/14 Substantial	Medium risk raised in CRR 1.14 Cyber Security Incident	10			
Change and Patch Management	New Area					
IT Strategy	New Area					
Software Licences	New Area		8			
IT Governance	New Area		10			
Remote Access	New Area					
Disaster Recovery	2016/17 Substantial 2021/22 Audit Due					
Service Desk	New Area					
Cyber Security	Substantial 2021/22	Medium risk raised in CRR 1.14 Cyber Security Incident		12		
IT Coverage to be determined			0	18	30	30
Audit Management						
EIAS Audit Management including follow up, advice and guidance, committee papers and attendance, consultancy work.			50	50	50	50
Total number of days			277	302	242	176

APPENDIX 3 ANNUAL INTERNAL AUDIT PLAN 2022/23

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Annual Opinion / Governance audits						
Corporate Governance	10			10		To support the annual opinion on governance, risk management and control, a corporate governance audit will provide assurance that the Council is following the constitution when making and reporting key decisions.
Key Controls and Assurance	15				15	This is an annual review of key controls and feeds into the Statement of Accounts, for those systems not subject to an audit review within the year more coverage will be provided in those areas. This year we will cover; Accounts Payable, Council Tax and NNDR, Housing Benefit and Council Tax and HR and Payroll in more detail.
Project Management Framework	8		8			This area has not been subject to audit review before. Medium risks have been raised on the Corporate Risk Register relating to delivery and due-diligence of major projects. Due to a number of significant projects due to be carried out over the next year our review will focus on providing assurance through a position statement that the Council's framework for approving, managing and reporting on key projects is in line with best practice and supports the delivery of key objectives.
Cost Reduction Programme	10				10	A substantial assurance opinion was given in this area in 2018/19. A medium risk has been raised on the corporate risk register in relation to the impact of the programme on staff morale and the reputation of the Council.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Annual Opinion / Governance audits						
Business Planning & Performance Management	12		12			Due to the significance of the Covid-19 Pandemic, the Corporate Plan for the Council will be reviewed taking lessons learnt, new ways of working and changes to local needs into account. Our review will provide assurance that the new strategy reflects the environment, that reliable information has been used to inform the process, that risks to delivery have been considered. Furthermore we will evaluate performance management processes to provide assurance that data used for reporting is accurate and reliable.
Corporate Health and Safety	10	10				A medium risk is being managed on the Corporate Risk Register in relation to the impact of Health and Safety incidents. This audit will evaluate the Councils approach to Corporate Health and Safety, providing assurance on staff training, H&S boards and incident and accident management.
Elections and Electoral Registration	10	10				A review of Elections has not been carried out recently. Our review will provide assurance that controls in place to manage electoral registration and electoral administration are operating effectively.
Procurement and Contract Management	12		12			To support the opinion on governance, risk management and control, a review of compliance with the Councils Contract Procedure Rules will be undertaken to provide assurance procurement work is being carried out in conformance with the Public Contract Regulations 2015. In addition a sample of contracts will be taken to provide assurance across a range of Council contracts to confirm contract terms are being well monitored and managed.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Fundamental Financial Systems						
Accounts Receivable	10			10		These key financial systems feed into the Internal Audit Opinion and Statement of Accounts and require regular review to confirm the adequacy and effectiveness of controls. Where reviews are undertaken in earlier quarters, top up testing will be completed if required in the key controls audit to provide adequate coverage.
Income	10			10		
Accountancy Services - includes control accounts, banking, bank reconciliation, asset management / capital expenditure, budgetary control and treasury management	16				16	
Service area audits						
Environmental Protection	12		12			This area was last reviewed in 2011/12. Due to the nature of the statutory requirements and health and safety risk exposure an audit has been scheduled to provide assurance on three key areas; contaminated land, air quality and water safety. The audit will evaluate the Councils strategy for each, determine the adequacy of risk assessment, review and monitoring processes to demonstrate adherence to the relevant legislation in these areas. Our review will also provide assurance on actions taken by the Council to tackle fly tipping.
Homelessness and Housing Options	12			12		This area was last reviewed in 2016/17 and due to increase in support required by residents and a key objective to tackle homelessness, an internal audit review has been scheduled. During this audit we will evaluate the effectiveness of planned improvements to support local residents in need and provide assurance that the service is being delivered in line with statutory obligations following the significant pressures placed on the service during the Covid-19 pandemic.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Service area audits						
ASB Community Safety	10		10			ASB was last audited in 2014/15. With incidents of crime increasing in the Borough and key objectives for reducing crime and ASB included within the corporate plan, internal audit will provide assurance on the delivery of this strategy. Our review will also determine the effectiveness of the management of ASB cases.
Towns Fund	10		10			An audit of this area has not been undertaken at the Council before. This audit will evaluate the adequacy for arrangements for the management and governance of the Towns Fund grant, covering the effectiveness of partnership working.
Economic Growth	12			12		A number of significant risks have been raised in the Corporate Risk Register relating to the vulnerability of local economy and town centres. This audit will provide assurance on the progress against objectives relating to local employment and skills and attracting investment to the Borough.
Climate Sustainability	10				10	This area has not been reviewed by Internal Audit before as it is a relatively new challenge for Council's to take action on. A medium scoring risk has been added to the Corporate Risk Register relating to failing to reduce carbon emissions in line with target. A position statement will be carried out to determine progress against delivery of objectives in this area and providing assurance that data used to demonstrate action can be relied upon.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Service area audits						
Corporate Business Sustainability	10	10				Risks have been raised in the Corporate Risk Register in relation to business continuity. Our 2021/22 audit report of Emergency Planning provided a reasonable level of assurance that the Council is able to demonstrate it is an effective Category 1 responder in the event of a civil emergency. This audit will provide assurance on the business continuity arrangements for the Council in responding to other incidents such as IT failure, fuel shortages or key buildings becoming inaccessible.
ICT Audits						
Network infrastructure and security	10				10	Network infrastructure and security has not been audited at the Council before. This review will provide assurance that the Councils network infrastructure is well maintained and appropriately invested in to protect it against cyber crime and that it adequately supports the Council to deliver its services.
IT Governance	10				10	A review of IT Governance has not been undertaken at the Council before. This audit will seek to compare IT Governance arrangements against the COBIT framework to provide assurance over strategy, risk and performance management arrangements.
Software licencing	8			8		An audit of software licencing has not been undertaken at the Council before. This review will establish the adequacy of software management and renewal processes.
Audit Management						
EIAS Audit Management including follow up, advice and guidance, committee papers and attendance, consultancy work.	50	12.5	12.5	12.5	12.5	
Total number of days	277	42.5	76.5	74.5	83.5	