

Eastern Internal Audit Services



BOROUGH OF KING'S LYNN AND WEST NORFOLK COUNCIL

Strategic and Annual Internal Audit Plans 2024/25 to 2026/27

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CONTENTS

1. INTRODUCTION.....	1
2. INTERNAL AUDIT CHARTER	1
3. INTERNAL AUDIT STRATEGY	2
4. STRATEGIC INTERNAL AUDIT PLAN.....	2
5. ANNUAL INTERNAL AUDIT PLAN.....	2
6. ASSURANCE MAPPING	3
APPENDIX 1 – INTERNAL AUDIT CHARTER.....	4
APPENDIX 2 – INTERNAL AUDIT STRATEGY	13
APPENDIX 3 – STRATEGIC INTERNAL AUDIT PLAN 2024/25 to 2026/27.....	18
APPENDIX 4 – ANNUAL INTERNAL AUDIT PLAN 2024/25	35
APPENDIX 5 – BCKLWN ASSURANCE MAP TOP 5 STRATEGIC RISKS 2023/24	37

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 Risk is defined as 'the possibility of an event occurring that will have an impact on the achievement of objectives'. Risk can be a positive and negative aspect, so as well as managing things that could have an adverse impact (downside risk) it is also important to look at potential benefits (upside risk).
- 1.4 The development of a risk-based plan considers 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.
- 1.5 The following factors are also considered 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 the Audit Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.
- 1.6 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 reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness and presented to senior management and the Audit Committee annually for approval. The Charter can be found at **Appendix 1**. Please note that no significant changes have been made to the Charter.

2.2 As part of the review of the Charter, the Code of Ethics are also reviewed by the Head of Internal Audit, and it is ensured that the Head of Internal Audit and Senior Internal Auditor adhere to these, specifically regarding integrity, objectivity, confidentiality and competency. Formal sign off to acceptance of the Code of Ethics is retained by the Eastern Internal Audit Services.

3. INTERNAL AUDIT STRATEGY

3.1 The purpose of the Internal Audit Strategy (**see Appendix 2**) is to confirm:

- How internal audit services will be delivered;
- How internal audit services will be developed in accordance with the internal audit Charter;
- How internal audit services links to organisational objectives and priorities; and
- How the internal audit resource requirements have been assessed and how they will be enhanced.

4. STRATEGIC INTERNAL AUDIT PLAN

4.1 The overarching objective of the Strategic Internal Audit Plan (**see Appendix 3**) is to provide a comprehensive programme of review work over the next three-year period following 2024/25. Each year provides sufficient audit coverage to give an annual opinion, which can be used to inform the organisation's Annual Governance Statement.

4.2 The coverage over the subsequent three-year period 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.

5. ANNUAL INTERNAL AUDIT PLAN

5.1 Having developed the Strategic Internal Audit Plan, the annual Internal Audit Plan is an extract of this for the forthcoming financial year (**see Appendix 4**). 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 summary and purpose of the review.

5.2 The annual Internal Audit Plan for 2024/25 totals 307 audit days, encompassing 23 internal audit reviews, three of which cover IT processes. A total of up to 30 days have been assigned to audit management work in accordance with the agreement between the Council and Eastern Internal Audit Services for tasks such as advice and guidance, Audit Committee papers and attendance, and 20 days to follow up recommendations.

5.3 Audit verification work concerning audit recommendations implemented to improve the Council's internal control environment will also be undertaken throughout the financial year by the in-house Internal Audit Team.

5.4 Depending on any changes to the control environment over the year, the annual Internal Audit Plan may need to be revised to respond to emerging risks. The Head of Internal Audit will regularly review the Risk Register and report through to the Audit Committee any necessary changes to the plan of work.

6. ASSURANCE MAPPING

- 6.1 The 2022/23 External Quality Assessment of the Internal Audit function concluded that the internal audit service is delivered in conformance with the Public Sector Internal Audit Standards. Assurance Mapping was highlighted as an area requiring development.
- 6.2 Assurance mapping is an emerging area of internal audit practice which involves mapping a visual representation of assurance activities as they apply to a specific set of risks or compliance requirements facing an organisation.
- 6.3 This exercise is particularly useful to undertake as part of internal audit planning as it allows the function to determine to what extent it can rely on and co-ordinate its activities with other assurance providers to enhance value and prevent duplication.
- 6.4 Following discussions with the Management Team during the 2023/24 audit planning process, the Internal Audit Team mapped the types of assurance available for the top four corporate risks facing the Council at this time in each of the three assurance categories listed below.

6.5 Three lines of assurance

The first line of assurance (functions that own and manage risks)	The second line of assurance (functions that oversee or who specialise in compliance or the management of risk)	The third line of assurance (functions that provide independent assurance)
Assurances in this area are provided by managers and staff who are responsible for identifying and managing risk as part of their accountability for achieving objectives.	Assurances in this area are provided by those that monitor frameworks, enable risk and compliance to be managed in the first line. Second line assurance functions are often involved in monitoring the effectiveness in the first line ensuring risks are managed consistently.	Assurances at this level are typically provided by internal audit. Sitting outside the risk management processes of the first two lines of defence. The main role of this defence line is to provide an evaluation of the effectiveness of the organisations approach to governance, risk management and control.

- 6.6 The assurance map provided at **Appendix 5** of this report highlights what assurances were available in each of the three lines for the then top five corporate risks in 2023/24. This was used to provide justification to the areas included within the strategic and annual internal audit plans for 2023/24. This exercise has not been repeated for audit planning purposes this year, 2024/25.
- 6.8 It is proposed that all or some of the top corporate risks are developed further during 2024/25 into more detailed assurance maps.

APPENDIX 1 – INTERNAL AUDIT CHARTER



BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

INTERNAL AUDIT CHARTER FOR 2024/25

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 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 the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The Charter also displays a 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 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**

The 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 the Management Team and the Board for approval annually. The Charter will be reviewed by the Chief Audit Executive to confirm its ongoing completeness and validity and presented to senior management and the Board.

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 the 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 the 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 being 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 to the Audit Committee.

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 within Eastern Internal Audit Services.

3.2 Chief Audit Executive

3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Head of Internal Audit role to the Borough Council of King’s Lynn and West Norfolk through a Section 113 Agreement. At South Norfolk Council, the Chief Audit Executive reports administratively to the Chief of Staff at South Norfolk Council in relation to Eastern Internal Audit Services’ Consortium matters and the Assistant Director Resources (S151 Officer) at the Borough Council of King’s Lynn and West Norfolk for assistance on establishing direction, support and administrative interface, and the Audit Committee.

3.2.3 The Head of Internal Audit has a direct line of reporting and unfettered access to the Chief Executive, the Senior Management Team and the Chair of the Board.

3.2.4 The delivery of the Annual Internal Audit Plan and any specified ad-hoc assignments is provided by an in-house Internal Audit Team. The Senior Internal Auditor of the in-house team reports functionally to the Head of Internal Audit and administratively to the Assistant Director Resources (S151 Officer) at the Borough Council of King’s Lynn and West Norfolk.

3.3 Board

3.3.1 In the context of overseeing the work of Internal Audit at the Local Authority, the 'Board' will be the Audit Committee, which has been established as part of the governance arrangements. The Audit Committee's responsibilities are discharged through the Local Authority's Constitution's and explicitly referred to in its term of reference.

3.3.2 This functional reporting includes: -

- Approving the audit charter, audit strategy and risk based annual plans on an annual basis;
- Receiving regular reports on the outcomes of internal audit activity and performance;
- Receiving regular reports on management action in relation to agreed internal audit recommendations;
- Receiving the Annual Report and Opinion of the Head of Internal Audit, alongside a conclusion as to the effectiveness of internal audit;
- Overseeing external assessments of the Internal Audit Service, at least once every 5 years; and
- Ensuring 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.

3.3.3 Internal Audit work 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' is those individuals responsible for the leadership and direction of the organisation, and are responsible for specific aspects of internal control, risk management and governance arrangements. There is effective liaison between Internal Audit and senior management to ensure that independence remains and provides for a critical challenge.

3.4.2 The Head of Internal Audit 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.

3.6 Other Internal Audit Service Providers

3.6.1 Where appropriate internal audit will liaise with other internal audit providers, where shared arrangements exist. In such cases, a dialogue will be opened with the Chief Audit Executive to agree a way forward regarding the auditing of such shared services. This is to ensure an efficient and effective approach and enable reliance on each other's outcomes. Where formal arrangements are entered into, a protocol will be determined and agreed by both Chief Audit Executives.

- 3.6.2 Internal audit will also co-operate with all external review and inspection bodies that are authorised to access and evaluate the activities of the Local Authority, to determine compliance with regulations and standards. Assurances arising from this work will be taken into account where applicable.

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 in the Local Authority's 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 Eastern Internal Audit Services, thus allowing the Head of Internal Audit 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 bias 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.
- 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 working within

Eastern Internal Audit Services, annually confirm their adherence 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 Anti-Fraud and Anti-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; and
- Anti-Fraud and Anti-Corruption Risk Register for the Council.

6.3 The Head of Internal Audit 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.

6.4 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 Head of Internal Audit and reported to the Assistant Director Resources (S151 Officer) and / or Audit Committee.

6.5 If the independence or objectivity of the Head of Internal Audit is impaired, or appears to be, the details of the impairment will be disclosed to the Assistant Director Resources (S151 Officer) and / or Management Team. The nature of the disclosure will depend upon the impairment.

7 Professional Standards

7.1 The Internal Audit Service 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 the Internal Audit Team will be kept under review by the Assistant Director Resources (S151 Officer) and the Head of Internal Audit, bearing in mind the resource requirements identified in the Strategic Internal Audit Plan and the overall needs of the Council.

8.2 If the Head of Internal Audit 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 Head of Internal Audit is professionally qualified (CMIIA, CCAB or equivalent) and has wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.4 The Head of Internal Audit is supported by a 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 Head of Internal Audit develops a strategy, alongside a strategic and annual internal audit plan, using a risk-based approach.
- 9.2 The Internal Audit Strategy provides a clear direction for internal audit services and creates a link between the Charter, the strategic plan and the annual plan.
- 9.3 The annual Internal Audit Plan of work, developed as per the Internal Audit Strategy, is derived using a risk-based approach, discussed with Senior Management and approved by the Audit Committee. The Head of Internal Audit 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 Senior Management and 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 contractor relative to completing the agreed plan.
- 10.4 A Recommendations Follow Up Report is also periodically produced for 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 Senior Management and the Audit Committee following the completion of the annual audit plan each financial year.
- 10.6 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.
- 10.7 The annual opinion is based on the overall adequacy and effectiveness of the Local Authority'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.

10.8 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 Head of Internal Audit will coordinate appropriate action and report this to Senior Management 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 of the contractor through the performance measures. These form a key part of service management of the contract and are subject to quarterly reporting to the Head of Internal Audit 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 the contractor.

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 (S151 Officer) for their 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 Organisation. 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. The full external quality assessment is the chosen option for Eastern Internal Audit Services.

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 In October 2022, the Internal Audit Service was fully assessed by the Chartered Institute of Internal Auditors. The conclusion of the review was:

“EIAS conforms with the vast majority of the Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the PSIAS and the Institute of Internal Auditors’ International Professional Practices Framework (IPPF), the globally recognised standard of quality in Internal Auditing”.

11.4.4 The next External Quality Assessment is scheduled for October 2027.

APPENDIX 2 – INTERNAL AUDIT STRATEGY



EASTERN INTERNAL AUDIT SERVICES INTERNAL AUDIT STRATEGY FOR 2024/25

1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
- How the internal audit service will be delivered;
 - How internal audit services will be developed in accordance with the Internal Audit Charter;
 - How internal audit services links to the organisational objectives and priorities; and
 - How the internal audit resource requirements have been assessed.
- 1.2 The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the Standards).
- 1.3 The purpose of the strategy is to define the objectives, function, the approach, resources and processes needed to achieve Internal audit service, providing a clear link between the Charter and the annual plan.
- 1.4 Throughout this strategy the term ‘The Council’ or ‘Council’ references the Borough Council of Kings Lynn and West Norfolk.

2. How the internal audit service will be delivered

- 2.1 The Council has an in-house internal audit resource responsible for delivering the internal audit plan, responding to requests for advisory work and investigations. The in-house Internal Audit Team is made up as follows: -

Role	FTE
Senior Internal Auditor	0.5 FTE (0.5 is allocated to delivering counter fraud services)
Auditor	1 FTE
Auditor	0.7 FTE
Trainee Auditor	1 FTE

- 2.2 The role of the Head of Internal Audit is provided by South Norfolk Council through an agreement between the two Councils. A total of up to 50 days is delivered each year to support the management of the internal audit service.

2.3 In addition to the above, where specialist resources are required in areas such as IT, the Council will make arrangements to appoint a specialist auditor in accordance with the Council's CSOs.

3. How internal audit services will be developed in accordance with the Internal Audit Charter

3.1 Internal Audit objective and outcomes

3.1.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3.1.2 The outcomes of the Internal Audit Service are detailed in the Internal Audit Charter and can be summarised as; delivering a risk-based audit plan in a professional, independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment, systems of risk management and corporate governance arrangements, and to make recommendations to improve these provisions, where further development would be beneficial.

3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit Committee and the Management Team also receive: -

- The annual Internal Audit Plan, which is risk based and forms the next financial year's plan of work;
- The Annual Report and Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control; and
- Information regarding the internal audit team's performance against agreed indicators.

3.2 Internal Audit Planning

3.2.1 A risk-based internal audit plan (RBIA) is established in consultation with senior management that identifies where assurance and consultancy is required.

3.2.2 The audit plan establishes a link between the proposed audit areas and the priorities and risks of the Authority considering: -

- Stakeholder expectations, and feedback from senior and operational managers;
- Objectives set in the strategic plan and business plans;
- Risk maturity in the organisation to provide an indication of the reliability of risk registers;
- Management's identification and response to risk, including risk mitigation strategies and levels of residual risk;
- Legal and regulatory requirements;
- The audit universe – all the audits that could be performed; and
- Previous internal audit plans and the results of audit engagements.

3.2.3 In order to ensure that the internal audit service adds value to the Council, assurance should be provided that major business risks are being managed appropriately, along with providing assurance over the system of internal control, risk management and governance processes.

- 3.2.4 Risk based internal audit planning starts with the Council's Business Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Council.
- 3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Council's priorities; an opportunity to engage with stakeholders; the Audit Committee and Management Team better understand how the Internal Audit Service helps to accomplish its objectives; and this ensures that best practice is followed.
- 3.2.6 The key distinction with establishing plans derived from a risk based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.
- 3.2.7 Consultation with the Management Team takes place through discussion during which current and future developments, changes, risks and areas of concern are considered and the plan amended accordingly to take these into account.
- 3.2.8 The outcome of this populates the annual Internal Audit Plan, which is discussed with and approved by senior management prior to these being endorsed by the Audit Committee.

3.3 Internal Audit Annual Opinion

3.3.1 The annual opinion provides the Management Team and the Audit Committee with an assessment of the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

3.3.2 The opinion is based upon: -

- The summary of the internal audit work carried out;
- The follow up of management action taken to ensure implementation of agreed action as at financial year end;
- Any reliance placed upon third party assurances;
- Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS);
- The Annual Review of the effectiveness of Internal Audit, which includes: -
 - A statement on conformance with the Public Sector Internal Audit standards and the results of any quality assurance and improvement programme,
 - The outcomes of the performance indicators and
 - The degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

3.3.3 In order to achieve the above, Internal Audit operates within the Standards and uses a risk-based approach to audit planning and to each audit assignment undertaken. The control environment for each audit area reviewed is assessed for its adequacy and effectiveness of the controls and an assurance rating applied.

4. **How internal audit services links to the organisational objectives and priorities**

4.1 In addition to the approach taken as outlined in section 3.2 (Internal Audit Planning), which ensures that the service links to the Council's objectives and priorities and thereby through the risk-based approach adds value, Internal Audit also ensures an awareness is maintained of local and national issues and risks.

- 4.2 The annual audit planning process ensures that new or emerging risks are identified and considered at a local level. This strategy ensures that the planning process is all encompassing and reviews the records held by the Council in respect of risks and issue logs and registers, reports that are taken through the Council Committee meetings, and through extensive discussions with senior management.
- 4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular “horizon scanning” updates, and annually a particular focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Chartered Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.
- 4.4 The Council's risk profile will be evaluated throughout each year, and if required, amendments to the Internal Audit Plan will be suggested for approval to ensure that internal audit coverage continues to focus on providing assurance over key risks.
- 4.5 Coverage and testing plans for each audit are determined using the following principles: -
- The number of days allocated to each review is considered based on the complexity of the area being audited factoring in audit scoping, testing time and quality assurance processes.
 - Key management assurance controls will be prioritised during testing to confirm that risks identified by the service area and internal audit during scoping are being monitored and managed.
 - Ordinarily, samples for each control tested will be selected to cover a 12-month period to ensure that internal audit coverage supports the annual internal audit opinion.
 - Testing sample sizes will ordinarily be based on the frequency of the control. By way of example; for each key financial control carried out weekly, a sample of four, one in each quarter across the year will be selected.
 - Testing samples will be selected randomly and objectively to provide a balanced view on the strength of the controls in place.
 - Where applicable, data analytics will be used to test 100% of the available sample. The in-house Internal Audit Team will aim to increase the opportunities to adopt data analytics in their work to provide greater levels of assurance.

5. How internal audit resource requirements have been assessed

- 5.1 The in-house Internal Audit Team at the Council consists of a Senior Internal Auditor and two internal auditors and a Trainee Auditor. The Council receives internal audit management support from the Head of Internal audit and the Senior Internal Auditor at Eastern Internal Audit Services.
- 5.2 The risk based internal audit plan is developed with consideration of the above available resource. A chargeable time calculation for the year ahead is carried out to ensure that the team has allocated sufficient time to providing assurance over the Council's key risks, but that contingency time is also built in to ensure the Team can respond to requests for advisory or investigatory work. A proportion of the Team's time is also allocated to enhancing skills and knowledge to ensure conformance with competency standards.
- 5.3 If a shortfall is identified when comparing the assurance needs of the Council with the available resources, the Management Team and Audit Committee would be notified and action plan developed to safeguard the Internal Audit Team's ability to provide an opinion at year end.

- 5.4 In accordance with competency standards within the PSIAS, the in-house Internal Audit Team should ensure that they have the necessary knowledge, skills and experience to carry out the audits to which they are assigned. Our auditors are encouraged to continually develop their skills and knowledge through various training routes; formal courses of study, in-house training, seminars and webinars.
- 5.5 The Team's Quality Assurance and Improvement Plan contains a commitment to obtaining and maintaining professional qualifications. Considerations is being given to the Senior Internal Auditor and one of the Auditors undertaking the Certified Internal Auditor course and the recently recruited Trainee Auditor is completing the level 4 apprenticeship, Internal Audit Practitioner.
- 5.6 It is often unrealistic to expect a small internal audit team to recruit and retain a specialist auditor to provide assurance for risks such as information technology and cyber security. Where assurances are required in these areas, the Team will first seek to rely upon third party independent specialist assurance obtained by the Council. If further assurances are required outsourcing options will be explored.
- 5.7 The External Quality Assessment in 2022/23 highlighted that that the Internal Audit Service needs to invest in skills relating to data analytics to ensure audits are carried out to take full advantage of the benefits that can be realised from this audit technique.
- 5.8 The new Head of Internal Audit and Senior Internal Auditor are both trained in data analytics using MS PowerBi. A commitment has been made to ensure that by 2025/26 each internal audit review regardless of area will incorporate some data analytics testing. This will commence with using data analytics in one of the finance audits in 2024/25. To achieve this the in-house Internal Audit Team will receive training in this area. Where systems data is not available to support such tests, a recommendation will be highlighted with the aim of encouraging the development of data maturity. A Data Analytics Strategy will be developed in 2024/25.
- 5.9 The above-mentioned arrangements ensure that the Internal Audit Service is able to respond effectively to the assurance needs of the Council whilst ensuring that the core team used are sufficiently qualified and experience.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Governance and Risk						
Corporate Governance	2022/23 - Deferral 2023/24 - Reasonable	Medium Risk SR 7 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.		12		
Risk Management	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.	15		10	Assurance that the revised risk management framework is adequate and effective.
Annual Governance Statement	2019/20 - Substantial	No specific strategic or operational risks identified by the Council.		8		
Corporate Areas						
Data Protection incl. CCTV	2018/19 - Substantial 2021/22 - Substantial	Medium Risk SR 6 Data management and security Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.	14			Assurance that we are complying with GDPR requirements concerning for example, data security, data breaches, data retention and data storage.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Corporate Business Continuity and Emergency Planning	2016/17 - Substantial 2022/23 - Reasonable	Medium Risk SR 5 Continuity of service The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery.		12		
Capital Programme and Project Management	2016/17 - Substantial 2021/22 - Limited 2022/23 (Project Mgmt Fwk) - Position Statement 2023/24 - Limited	Medium Risk SR 2 Significant programmes/projects Impact on the delivery of council services due to the failure of major programmes/projects. 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.		12		
Procurement	2018/19 - Substantial 2022/23 - Limited	No specific strategic or operational risks identified by the Council.		15		An audit of Procurement will be completed in 2025/26 after the effective date of the new Procurement Act 2023 is effective.
Contract Management	2018/19 - Substantial 2022/23 - Limited	Medium Risk SR 13 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.	15			Assurance that contracts in place at the Council are being managed and monitored effectively, including a review of contract extensions.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Business Planning & Performance Management	2012/13 - Full 2022/23 - Reasonable	Medium Risk SR 8 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 corporate business plan.			12	
Complaints and FOI	2023/24 - Reasonable	Medium Risk SR 8 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 corporate business plan.			12	
Policies	2015/16 - Limited 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.			8	
Safeguarding	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Legal Services	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.	10			Assurance that the controls for managing and monitoring legal cases are adequate and effective, including a review of the charging process and client feedback from service areas.
Counter Fraud and Corruption Framework	2019/20 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.			10	

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Financial Sustainability	2018/19 - Substantial 2023/24 (CMIG Plan) - deferred	High Risk SR 1 Financial Sustainability Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.	12			Assurance that the Cost Management and Income Generation Plan (CMIG) is achieving its purpose of generating additional income and reducing costs and the progress with this.
Corporate Health and Safety	2020/21 - Substantial 2022/23 - Substantial	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	12			Assurance that the policy and procedures for visiting people at addresses or areas of concerns, or where there are concerns regarding the behaviour of a person are being followed.
Elections and Electoral Registration	2010/11 - Full 2020/21 - Substantial	No specific strategic or operational risks identified by the Council.	10			Assurance that adequate and effective controls are in place to ensure the delivery of all elections and electoral registrations in accordance with relevant legislation, including the recent introduction of voter ID.
Fundamental Financial Systems						
Key Controls and Assurance	2022/23 - Substantial 2023/24 - TBC	No specific strategic or operational risks identified by the Council.	15	15	15	Annual assurance that the key controls within the Council's systems (finance, payroll, housing (rents and benefits) are working in practice.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
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 Asset Register 2015/16 - Substantial 2022/23 - Reasonable	High Risk SR 1 Financial Sustainability Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.			16	
Accounts Payable	2016/17 - Substantial 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.	15		12	Assurance on the operation of control within the accounts payable system using data analytic techniques.
Accounts Receivable	2017/18 - Full 2022/23 - Reasonable	No specific strategic or operational risks identified by the Council.	12		10	Assurance on the operation of controls within the accounts receivable system.
Income	2022/23 - Reasonable	No specific strategic or operational risks identified by the Council.	12		10	Assurance on the operation of controls within the income cycle regarding the collection and posting of income to the financial management system.
Financial Management System	2015/16 - Full 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Housing Benefits and Council Tax						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Council Tax and National Non-Domestic Rates	2015/16 - Substantial 2021/22 - Reasonable 2023/24 - TBC	High Risk SR 14 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.		15		
Local Council Tax Support and Housing Benefits	2015/16 - Substantial 2023/24 - TBC			15		
Payroll, HR and Organisational Development						
Payroll	2016/17 - Full 2021/22 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.		15		
Human Resources	2016/17 - Full 2021/22 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.		15		Ext cons - looking at research and BM and BP to incorp. Training - look at processes. OD is about mgmt dev.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Organisational Development - Training	2011/12 - Full 2023/24 - Deferral	High Risk SR 9 - 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.		10		Some research and benchmarking work are ongoing in this area by external consultants, following which a plan will be developed. An audit will follow this work.
Service Area audits						
Central Services						
Communications		No specific strategic or operational risks identified by the Council.			8	
Equality and Accessibility		No specific strategic or operational risks identified by the Council.		10		
Democratic Services	2014/15 - Substantial	No specific strategic or operational risks identified by the Council.			10	
Customer Services	Not recently reviewed	No specific strategic or operational risks identified by the Council.		12		
Programme and Project						
West Norfolk Housing Company Ltd (Strategic and governance arrangements against the Local Partnerships' LA Company Review Guidance)	2023/24 - Position Statement	Medium Risk SR 12 Council owned companies Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.			10	

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
West Norfolk Property Ltd (Strategic and governance arrangements against the Local Partnerships' LA Company Review Guidance)	2023/24 - Position Statement	Medium Risk SR 12 Council owned companies Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.			10	
Operations and Commercial						
Burial Services - Crematorium	2017/18 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Parks and Open Spaces incl. play areas and tree management	2023/24 (Tree mgmt) - Limited	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.			10	
Vehicle Fleet	New Area	No specific strategic or operational risks identified by the Council.	15			Assurance on management of fleet vehicles covering maintenance, tax, insurance, duty of care checks for vehicle drivers, and the process for refuelling vehicles.
Car Parking and Civil Enforcement	2020/21 - Substantial	No specific strategic or operational risks identified by the Council.	15			Assurance on the operation of on and off-street parking enforcement and the back office operation for collection of income from Parking Charge Notices (PCNs) for the County.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Waste Management (Contract with Serco covering refuse collection, street cleansing, recycling, clinical waste, abandoned vehicles and grounds maintenance)	2016/17 - Limited 2021/22 - Limited 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Health, Wellbeing and Public Protection						
Housing Standards - HMOs and private sector rentals	2018/19 - Limited 2021/22 - Reasonable 2023/24 - Reasonable	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.		10		
DFGs and discretionary grants	2019/20 - Substantial	No specific strategic or operational risks identified by the Council.			12	
Care and Repair Agency (home improvement agency funded through the Better Care Fund (BCF))		No specific strategic or operational risks identified by the Council.	12			Assurance that the controls in place for the adaptation work completed through the 'handyman' self-referral service, the contract for which has recently been renewed, are adequate and effective.
Careline Community Services (personal alarms)	2015/16 - Substantial	No specific strategic or operational risks identified by the Council.		10		

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Homelessness and Housing Options	2016/17 - Substantial 2022/23 - Deferral 2023/24 (Homelessness) - TBC	High Risk SR 14 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.			12	
Community Safety - Anti-social behaviour and Neighbourhood Nuisance	2014/15 - Full 2022/23 - Substantial	High risk SR 4 Community issues The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.		12		
Alive West Norfolk						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Alive West Norfolk	2020/21 - Substantial 2021/22 - Limited	Medium Risk SR 12 Council owned companies Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.			10	
Regeneration Housing and Place						
Tourism and Place Marketing	2021/22 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Economic Growth (incl. use of external grants received)	2012/13 - Full 2022/23 (Economic growth strategy and plans) - Substantial 2022/23 (Mgmt & governance of Towns Fund) - Reasonable 2023/24 (Mgmt and governance of grants funding received) - Reasonable	High Risk SR 3 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.	12			Assurance on the controls in place for the St Georges Guildhall & Creative Hub project, funded through the Towns Fund, are adequate and effective to ensure that the project is delivered on time and to budget.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Housing Strategy	2019/20 - Full	No specific strategic or operational risks identified by the Council.	10			Assurance on the Homelessness Strategy to ensure the Council is doing all it can to address homelessness. (A Homelessness Review has recently been completed which will feed into this Strategy.)
Culture Heritage & the Arts		No specific strategic or operational risks identified by the Council.			12	
Property and Projects						
Property Services (Commercial & Management)	Not recently reviewed	No specific strategic or operational risks identified by the Council.	15			Assurance on the rent setting process for commercial property, the letting process, collection of rent and arrears and the completion of maintenance obligations during and after the rental period.
Environment						
Flood and Water Management (coastal and surface water)	Not recently reviewed	There are 4 linked risks to Flood & Water Management within the Corporate Risk Register (SR 5 - Continuity of Service, SR 8 - Reputation Management, SR10 Climate Change Mitigation & Adaptation and SR11 - Statutory Compliance).	12			Assurance that the Council is fulfilling its areas of responsibility under Coastal Protection Act, which are outlined in the Shoreline Management Plan and Wash East Coast Management Strategy, and Flood Water Management Act.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Climate Sustainability	2022/23 - Position Statement	Medium Risk SR 10 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.			10	
Environmental Protection - contaminated land, air quality, private water supplies, fly tipping	2022/23 - Reasonable	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.		10		
Licensing (HMOs, taxis, alcohol etc)	2016/17 - Substantial 2021/22 - Substantial	No specific strategic or operational risks identified by the Council.			10	
Environmental Health - food health and safety (food premises' inspections)	2016/17 - Substantial 2021/22 - Substantial	Medium Risk SR11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	10			Assurance that the Council is fulfilling its statutory duty to complete food premises' inspections in order to ensure compliance with food safety legislation.
Planning						
Building Control	New Area	No specific strategic or operational risks identified by the Council.		12		
Development Management - Planning and enforcement	2017/18 - Limited 2021/22 - Substantial	No specific strategic or operational risks identified by the Council.	7			Assurance that planning applications are being processed within the specified time period.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
S106 Agreements		No specific strategic or operational risks identified by the Council.	10			Assurance that the controls for ensuring the discharge of conditions in S106 agreements are being monitored for completion are adequate and effective.
Community Infrastructure Levy (CIL)	2019/20 - Substantial 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.			10	
Land Charges	2021/22 - Substantial 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.			10	
ICT Audits						
Network Infrastructure		No specific strategic or operational risks identified by the Council.	12			Assurance that the network infrastructure is adequate and effective covering network admin (incl. change control), support, monitoring, topology (network design) and resilience, virus prevention and detection, intrusion detection and penetration.
Data Centre	New Area	No specific strategic or operational risks identified by the Council.	10			Assurance that there are adequate controls in place in the operation of the Data Centre covering the physical environment and access.
Starters Movers Leavers	2023/24 - Limited	No specific strategic or operational risks identified by the Council.			10	
IT Strategy	New Area	No specific strategic or operational risks identified by the Council.		10		

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Software Licencing	2022/23 - Substantial	No specific strategic or operational risks identified by the Council.			10	
IT Governance	2022/23 - Deferral 2023/24 - Deferral	No specific strategic or operational risks identified by the Council.		10		
Remote Access	New Area	No specific strategic or operational risks identified by the Council.				
Disaster Recovery	2016/17 - Substantial 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Service Desk	New Area	No specific strategic or operational risks identified by the Council.		10		
Application Audit - Civica (Revenues and Benefits system)	New Area	No specific strategic or operational risks identified by the Council.	10			Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc.)
Cyber Security	2021/22 - Substantial 2022/23 - Pass 2023/24 (Follow Up)	Medium Risk SR 6 Data management and security Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.			12	
Contingency Days						
Time to complete 2023/24 Audit Plan			15			
Total number of audit days			307	310	281	
Follow Up of Recommendations			20	20	20	
Audit Management						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
EIAS Audit Management including, advice and guidance, committee papers and attendance, consultancy work.			30	50	50	
Total number of days			357	380	351	

Appendix 4 - Annual Internal Audit Plan 2024/25

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Governance and Risk Management						
Risk Management	15	15				Assurance that the revised risk management framework is adequate and effective.
Corporate Areas						
Data Protection	14			14		Assurance that we are complying with GDPR requirements concerning for example, data security, data breaches, data retention and data storage.
Contract Management	15	15				Assurance that contracts in place at the Council are being managed and monitored effectively, including a review of contract extensions.
Legal Services	10				10	Assurance that the controls for managing and monitoring legal cases are adequate and effective, including a review of the charging process and client feedback from service areas.
Cost Management Programme - Cost Management and Income Generation Plan (CMIG)	12			12		Assurance that the Cost Management and Income Generation Plan (CMIG) is achieving its purpose of generating additional income and reducing costs and the progress with this.
Corporate Health & Safety	12	12				Assurance that the policy and procedures for visiting people at addresses or areas of concerns, or where there are concerns regarding the behaviour of a person are being followed.
Elections & Electoral Services	10		10			Assurance that adequate and effective controls are in place to ensure the delivery of all elections and electoral registrations in accordance with relevant legislation, including the recent introduction of voter ID.
Fundamental Financial Systems						
Key Controls	15				15	Annual assurance that the key controls within the Council's systems (finance, payroll, housing (rents and benefits) are working in practice.
Accounts Payable	15		15			Assurance on the operation of controls within the accounts payable system using data analytic techniques.
Accounts Receivable	12	12				Assurance on the operation of controls within the accounts receivable system.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Income	12				12	Assurance on the operation of controls within the income cycle regarding the collection and posting of income to the financial management system.
Operations and Commercial						
Vehicle Fleet	15		15			Assurance on management of fleet vehicles covering maintenance, tax, insurance, duty of care checks for vehicle drivers, and the process for refuelling vehicles.
Car Parking & Civil Enforcement	15			15		Assurance on the operation of on and off-street parking enforcement and the back office operation for collection of income from Parking Charge Notices (PCNs) for the County.
Health, Wellbeing and Public Protection						
Care and Repair Agency (home improvement agency funded through the Better Care Fund (BCF))	12		12			Assurance that the controls in place for the adaptation work completed through the 'handyman' self-referral service, the contract for which has recently been renewed, are adequate and effective.
Regeneration Housing and Place						
Housing Strategy - Homelessness Strategy	10	10				Assurance on the Homelessness Strategy to ensure the Council is doing all it can to address homelessness. (A Homelessness Review has recently been completed which will feed into this Strategy.)
Economic Growth (incl. use of external grants received)	12				12	Assurance on the controls in place for the St Georges Guildhall & Creative Hub project, funded through the Towns Fund, are adequate and effective to ensure that the project is delivered on time and to budget.
Property and Projects						
Property Services (Commercial & Management)	15			15		Assurance on the rent setting process for commercial property, the letting process, collection of rent and arrears and the completion of maintenance obligations during and after the rental period.
Environment						
Flood and Water Management (coastal and surface water)	12		12			Assurance that the Council is fulfilling its areas of responsibility under Coastal Protection Act, which are outlined in the Shoreline Management Plan and Wash East Coast Management Strategy, and Flood Water Management Act.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Environmental Health - food health and safety (food premises' inspections)	10		10			Assurance that the Council is fulfilling its statutory duty to complete food premises' inspections in order to ensure compliance with food safety legislation.
Planning Control						
Development Management - Planning and enforcement	7			7		Assurance that planning applications are being processed within the specified time period.
S106 Agreements	10			10		Assurance that the controls for ensuring the discharge of conditions in S106 agreements are being monitored for completion are adequate and effective.
ICT Audits						
Data Centre	10		10			Assurance that there are adequate controls in place in the operation of the Data Centre covering the physical environment and access.
Network Infrastructure	12				12	Assurance that the network infrastructure is adequate and effective covering network admin (incl. change control), support, monitoring, topology (network design) and resilience, virus prevention and detection, intrusion detection and penetration.
Application Audit - Civica (Revenues and Benefits system)	10			10		Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
Contingency Days						
Time to complete 2023/24 Audit Plan	15	15				
Total number of audit days	307	79	84	83	61	
Follow Up of Recommendations	20					
Audit Management						
EIAS Audit Management	30					
Total number of days	357					

APPENDIX 5 – BCKLWN ASSURANCE MAP TOP 5 STRATEGIC RISKS 2023/24

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<p>1. Financial Sustainability - Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases</p>	<p>Finance is a standing item on Management Team and Cabinet Briefings to align with the annual financial estimates cycle.</p> <p>Cost management programme.</p>	<p>Continue to monitor potential areas of risk and work with LGA and business rates specialists where possible.</p> <p>Treasury advisors support the Council and their report feeds into design of Council's treasury policy.</p>	<p>An audit of the cost management programme was deferred from the 2022/23 plan. This has been scheduled for Q3 of 2023/24. Internal Audit work will also continue to provide assurance on key financial controls including budgetary control.</p>
<p>2. Facilitating 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</p>	<p>Project and programme management approach to managing projects reporting back to grant bodies where appropriate such as DLUHC.</p> <p>Regular reporting to Project Development Group. Member Major Projects Board and Officer Major Projects Board.</p>	<p>Housing - Additional due-diligence from East of England Talent Bank</p>	<p>The Internal Audit team have undertaken work on Towns Fund and Economic Development for 2022/23. Another audit is proposed for 2023/24 to look at the management of the levelling up fund, UKSPF and Rural England grant.</p>

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<p>3. Community issues - The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.</p>	<p>Corporate Plan Monitoring Report presented to Cabinet covering progress against actions.</p> <p>Preventing Homelessness - Strategic Housing Market Assessment identifies increasing prevalence of families sharing accommodation with families.</p> <p>Measures with Freebridge to support quick void turn around.</p> <p>Active participation on relevant Boards/ Groups.</p>	<p>Working with Norfolk County Council to develop strategic policies that identify needs, gaps in services.</p>	<p>An internal audit of anti Social Behaviour - Community Safety has been undertaken for 2022/23. For 2023/24 the assurance plan will focus on the councils ability to mitigate risks associated with an increase in homelessness in the Borough.</p>
<p>4. 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.</p>	<p>Absence management information reported to Management Team</p> <p>Training programmes developed.</p>	<p>Monitoring reports to Management Team and Cabinet regarding national pay award.</p>	<p>Internal Audit will carry out a position statement 202324 to provide suggestions about workforce planning and training needs assessment and training delivery.</p>
<p>5. 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</p>	<p>Cost of Living - Standing item at Management Team.</p> <p>Corporate officer established lead by Assistant to Chief Exec</p> <p>Corporate Plan Monitoring Report presented to Cabinet covering progress against actions.</p>	<p>Council using advice and resources from LGA.</p>	<p>Internal Audit will provide assurance on this risk within our Homelessness and Housing Options audit, evaluate debt recovery processes for our audit of Council Tax and NNDR and the councils ability to process an increase in Housing Benefit claims.</p>