AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	3 July 2025		
TITLE:	Internal Audit Progress Report		
TYPE OF REPORT:	For Information		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
KEY ISSUES:
The current position in relation to the completion of the Internal Audit Plan 2024/25 is shown within the attached report.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Audit Committee are requested to receive the Progress Report on internal audit activity.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

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

2. Proposal

The report sets out progress with completing the 2024/25 Internal Audit Plan.

3. Issues for the Audit Committee to Consider

Members should note progress with completing the Internal Audit Plan and the report executive summaries**.**

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note that the 2024/25 Internal Audit Plan is now complete and the executive summaries of final reports.

11. Background Papers

Appendix A – Progress Report 2024/25

EASTERN INTERNAL AUDIT SERVICES

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Borough Council of King's Lynn & West Norfolk

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

Progress Report 2024/25

Head of Internal Audit: Teresa Sharman

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Progress at a glance

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Audits in 2024/25 Audit Plan

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High Recs Issued

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Medium Recs Issued

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Low Recs Issued

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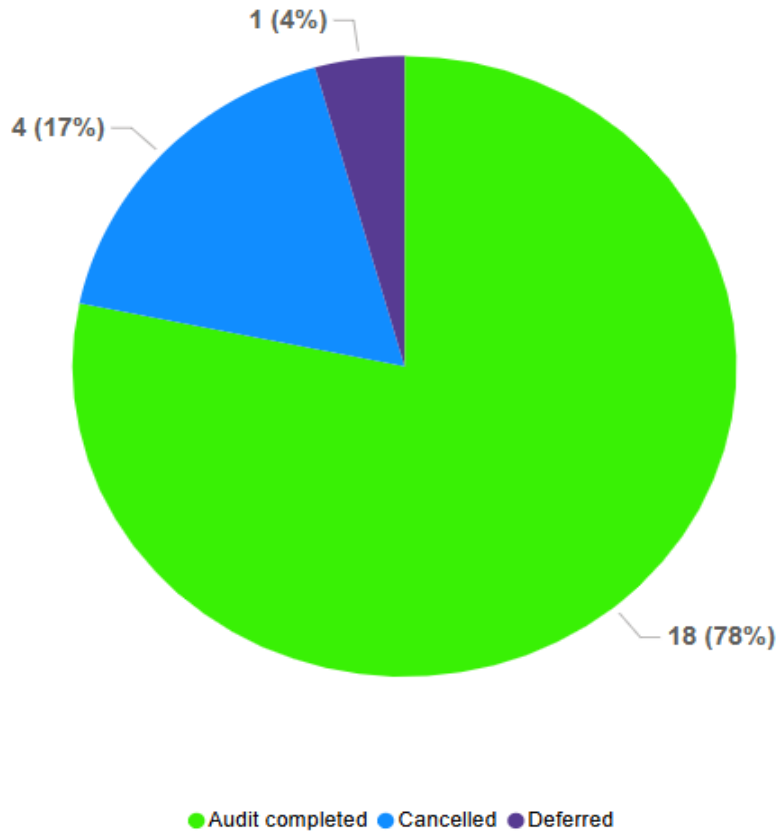
Imp Actions Made



44 Outstanding Recommendations

1 High priority
21 Medium priority
22 Low priority

Oldest – 2019/20

1 Medium priority
Car Parking and
Civil Enforcement

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Executive Summary

Introduction	Under the Global Internal Audit Standards (GIAS), 'The chief audit executive (Head of Internal Audit) must provide the board with the information needed to conduct its oversight responsibilities.' In particular, 'Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.' and 'The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.' Under the Committee's terms of reference, the Committee should receive updates on the work of internal audit, including key findings, issues of concern and action in hand from internal audit work and consider summaries of specific internal audit reports. This report is to assist the Committee in discharging its responsibilities in relation to internal audit activity.

Background	The Internal Audit Service for the Council is provided by the in-house team at the Council, with the Head of Internal Audit provided by the Eastern Internal Audit Service (EIAS). Internal audit provides an independent and objective opinion on the Council's internal controls by evaluation their effectiveness and operation in practice.

Changes to the 2024/25 Audit Plan

Since the Internal Audit Plan was approved, the following changes have been made:-

Audit	Nature of the change
Applications Audit – Revenues and Benefits system	This audit has been deferred due to staff illness and capacity to fulfil the audit in a busy period.
Election & Electoral Services	This audit has been cancelled due to insufficient resources and no longer deemed a necessary audit following a successful elections process taking place during 2024/25.
Property Services (Commercial & Management)	This audit was cancelled. There is a property services audit due to take place in 2025/26
Legal Services	This audit has been cancelled due to insufficient resources to undertake the audit in 2024/25. This audit was perceived as low risk and was therefore removed from the plan.
Car Parking & Civil Enforcement	This audit has been deferred and will be completed in Q1 of the 25/26 audit plan.

Progress to date and audit outcomes

Progress with audit work

The current position in completing audits to date is shown in **Appendix 1**.

Quarters 1-4

All audits due as part of the 2024/25 Internal Audit Plan have reached completion, with final reports having been issued to clients.

Audit Outcomes - Final Reports

Eleven audits have been finalised since the last Progress Report as detailed in the table below: -

Audit	Assurance Level	High Recs	Medium Recs	Low Recs
Environmental Health – Food Health and Safety	Substantial	0	0	5
Flood and Water Management	Substantial	0	0	1
Development Management – Planning and Enforcement	Substantial	0	0	2
S106 Agreements	Reasonable	0	2	2
Economic Growth – St George's Guildhall & Creative Hub	Reasonable	0	0	0
Data Protection	Reasonable	0	4	3
Accounts Payable	Reasonable	0	1	1

Vehicle Fleet	Reasonable	0	3	2
Financial Sustainability (CMIG)	Position Statement	0	0	0
Key Controls & Assurance	Reasonable	0	1	3
Network Infrastructure	Reasonable	0	1	3
Total	**-**	**0**	**12**	**22**

The Executive Summary for final reports issued, and the recommendations made in the period are provided in at **Appendix 2**, and a full copy of the report can be requested by Members.

Outstanding Recs

The table shows the total number of outstanding recommendations by year and priority rating: -

Audit Area	Outstanding Recommendations			Total Outstanding
	High	Medium	Low	
2019/20				
Car Parking and Civil Enforcement	0	1	0	1
Total	0	1	0	1
2021/22				
Policies	0	1	1	2
Total	0	1	1	2
2022/23				
KLWN2209 Accounts Receivable	0	2	1	3
KLWN2210 Income	0	0	1	1
KLWN2208 Procurement & Contract Management	0	1	1	2
Total	0	3	3	6
2023/24				
KLWN2310 Capital Programme	1	4	3	8
KLWN2303 Complaints & FOIs	0	2	3	5
KLWN2301 Corporate Governance	0	4	2	6
KLWN2306 Council Tax & NNDR	0	0	1	1
KLWN2302 Key Controls & Assurance	0	1	5	6
KLWN2318 Land Charges	0	2	1	3
KLWN2313 Public Open Space - Tree Management	0	0	1	1
Total	1	13	16	30
2024/25				
KLWN2408 Accounts Receivable	0	0	1	1
KLWN2404 Contract Management	0	1	0	1
KLWN2403 Corporate Health and Safety	0	1	1	2
KLWN2402 Risk Management	0	1	0	1
Total	0	3	2	5
TOTALS	**1**	**21**	**22**	**44**

The following audits in the table above were assigned a ‘limited’ overall assurance opinion: -

	• 2022/23 – Procurement & Contract Management • 2023/24 – Capital Programme • 2023/24 – Public Open Space – Tree Management • 2024/25 – Contract Management As a result of audit recommendations raised, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to the Committee. Verification work is also undertaken for those recommendations that are reported as closed. **Appendix 3** provides the Committee with details of urgent and important priority recommendations that are overdue for the year in which they were raised. Management responses and a new deadline, where available, have been indicated for each.

Progress with actions to Improve poor performance	Progress with actions being taken to improve contractor performance is outlined below: - **Client feedback surveys** - during 2024/25 the Head of Internal Audit will review the survey with a view to making it shorter, focusing on a small number of questions to aid a higher return rate. **This has been completed; a survey with six questions is now in place. Out of the 16 surveys sent out, eight have been returned giving an average score of 3.3.** **Develop some more operational KPIs** which will inform the Team's performance in delivering internal audits and value for the Council. **This will be moved forward into 2025/26.**

Summary of Audit Work 2024/25 Appendix 1

Audit Area	Status	Opinion	Total Recs	High	Medium	Low	Imp Actions
Environmental Health - Food Health and Safety (Food premises' inspections)	Audit completed	Substantial	5	0	0	5	2
Housing Strategy - Homelessness Strategy	Audit completed	Substantial	0	0	0	0	0
Flood and Water Management (coastal and surface water)	Audit completed	Substantial	1	0	0	1	4
Data Centre	Audit completed	Substantial	3	0	2	1	5
Development Management - Planning and Enforcement	Audit completed	Substantial	2	0	0	2	0
Risk Management	Audit completed	Risk Defined	4	0	4	0	3
S106 Agreements	Audit completed	Reasonable	4	0	2	2	6
Corporate Health & Safety	Audit completed	Reasonable	4	0	2	2	3
Accounts Receivable	Audit completed	Reasonable	6	0	1	5	4
Care and Repair Agency (home improvement agency funded through the Better Care Fund (BCF)) (Handyman Service)	Audit completed	Reasonable	10	0	3	7	7
Economic Growth - St George's Guildhall & Creative Hub	Audit completed	Reasonable	0	0	0	0	0
Data Protection	Audit completed	Reasonable	7	0	4	3	5
Accounts Payable	Audit completed	Reasonable	2	0	1	1	4
Vehicle Fleet	Audit completed	Reasonable	5	0	3	2	2
Key Controls & Income	Audit completed	Reasonable	4	0	1	3	0
Network Infrastructure	Audit completed	Reasonable	4	0	1	3	0
Contract Management	Audit completed	Limited	6	0	4	2	7

Audit Area	Status	Opinion	Total Recs	High	Medium	Low	Imp Actions
Financial Sustainability - Cost Management and Income Generation Plan (CMIG)	Audit completed	Position Statement	0	0	0	0	9
Elections & Electoral Services	Cancelled	N/A	-	-	-	-	-
Property Services (Commercial & Management)	Cancelled	N/A	-	-	-	-	-
Application Audit - Civica (Revenues and Benefits system)	Cancelled	N/A	-	-	-	-	-
Legal Services	Cancelled	N/A	-	-	-	-	-
Car Parking & Civil Enforcement	Deferred	N/A	-	-	-	-	-

Grant Certifications	The following grants were certified by EIAS during 2024/25: - • Disabled Facilities Capital Grants P/e 2023/24

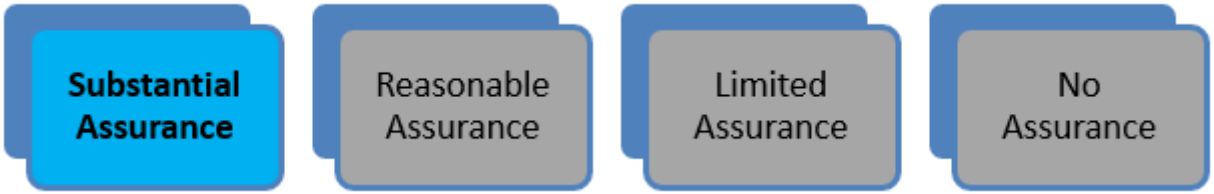
INTERNAL AUDIT Food Health & Safety

Executive Summary

Engagement Background

The Food, Health & Safety Team is a statutory service which the Council provides. It is within the Health, Wellbeing and Public Protection Directorate and provides a range of regulatory services to the business community and the general public. The team's responsibilities include undertaking work around food safety, shellfish, port health/exports, health and safety, infectious and communicable diseases, private water supplies, health promotion and education, and corporate health and safety.

In relation to the Team's food safety responsibilities, the officers undertake their duties in accordance with the Food Safety Act (FSA) 1990, associated regulations and assimilated (EU) regulations. The Food Standards Agency Food Law Code of Practice and Food Law Practice Guidance are followed when undertaking food activities. There is an approximate number of around 1700 food businesses currently registered within the Borough Council of King's Lynn and West Norfolk which the Team is committed to carrying out inspections for at a frequency that is not less than that determined by the Food Standards Agency Food Law Code of Practice.



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Summary of Our Opinion

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

The areas of the service area where we can give assurance over that internal processes are being carried out effectively are as follows:

- Food Safety Officers are competent in undertaking their job responsibilities, with necessary training and qualifications acquired in a timely manner.
- An appropriate system is in place to monitor all registered food businesses within the Borough, ensuring the required inspections are undertaken as necessary.
- Safety and hygiene advice / guidance for food businesses is available and accessible via the Council's website to encourage compliance with the law and to improve food safety standards.

The control weaknesses that have been observed during the course of the audit were:

- Majority of the departmental procedures which exist have not been reviewed as per the Food Law Code of Practice and Food Law Practice guidance for maintaining policies and procedure, which could lead to process error.
- There is lack of consistency with documents that are held within IDOX Document Management System (DMS) which is used to capture relevant documentation for each case reference.

Overall Objective

The overall objective of the engagement was to gain assurance that the Council is fulfilling its statutory duty to complete food premises' inspections to ensure compliance with the food safety legislation.

Summary of Key Recommendations

No high nor medium priority recommendations have been raised within this report.

Good Practice and Other Points to Note

- The Environmental Health Manager (Commercial) ensures that a 'Competency Assessment Framework' is completed by each member of the Team to identify strengths and weaknesses to enable the staff to undertake further training and acquire necessary qualifications to ensure the Team is competent.
- The Food, Health & Safety Team have a 'Service Plan' in place which sets out the key activities that the service area delivers, ensuring that essential and statutory tasks are highlighted with resources available to undertake those tasks. It:
    - Sets out the key tasks for the service area and resources allocated to carry them out.
    - Identifies the main risks and challenges to the delivery of the service.
    - Recognises the legal duties placed on the council through legislation that it enforces.
- A key performance indicator exists in relation to 'Food Safety' which is to ensure 90% of food premises inspected must achieve a food hygiene rating of 3 or above. There are processes in place to ensure improvement actions are raised to food premises and those that are awarded a rating of 2 and lower would be re-inspected within appropriate timeframes to ensure implementation of the actions raised, as a requirement of the Food Law Code of Practice.

Executive Summary

Engagement Background

As part of the Corporate Strategy priorities, the Council aims “To create a cleaner, greener, and better protected West Norfolk by considering environmental issues in all we do and by encouraging residents and businesses to do the same.”

Responsibility for managing coastal erosion for 2.8km of coastline between Hunstanton and the Hunstanton Cliffs lies with the Borough Council who are the designated coastal protection authority.

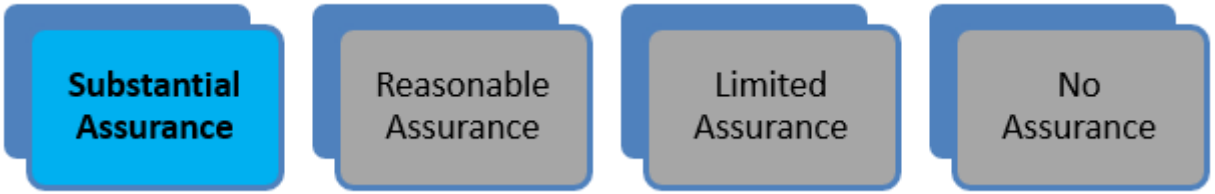
How we manage the West Norfolk coastline and sea defences is governed by various acts and policies which we follow, such as: -

- Coastal Protection Act (1949)
- Flood and Water Management Act (2010)
- Shoreline Management Plans (SMP)
- Wash East Coastal Management Strategy (WECMS)
- Hunstanton Coastal Management Plan (HCMP)

SMPs are non-statutory plans outlining management policies for how the risks associated with coastal flooding and erosion will be sustainably managed over the next 100-years.

The WECMS was published in 2015 and covers the east coast of the Wash between Wolferton Creek and the Hunstanton Cliffs, splitting the east coast into three areas. For each area, the WECMS identifies the most suitable flood and coastal erosion risk management approaches.

Within the Environment and Planning Directorate Plans 2023-27, there are three Directorate Priorities which cover flood and water management.



Summary of Our Opinion

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

Overall Objective

The overall audit objective is to confirm that the Council is meeting its responsibilities for flood and water management under the Coastal Protection Act 1949 which are outlined in the Shoreline Management Plan and Wash East Coast Management Strategy, and Flood Water Management Act 2010.

Summary of Key Recommendations

No high nor medium priority recommendations have been raised within this report.

Good Practice and Other Points to Note

- Strategies, policies and procedures are up to date and in accordance with current legislation, policies, and guidance. These are regularly reviewed to ensure their currency and are published and available to relevant staff with roles and responsibilities of key staff and 3rd parties included.
- Robust processes are in place to access flood and water management activity documents for both internal and external stakeholders via the Council's website, the prioritisation and allocation of works, the recording of works within relevant systems and any subsequent amendments to works.
- Flood and Water Management activities are monitored, including financial elements of the works, and relevant management and Members are informed of the progress of the activities undertaken in a timely manner.
- Risks are identified, mitigated as much as possible and monitored to ensure their currency and relevancy. Risks are allocated to responsible officers with appropriate timescales for completion. Previous risk incidents and lessons learnt are used to mitigate future occurrences.
- Updates on various plans have been provided on a regular basis to management, Members and partner organisations. These updates include high-level detailed information which would allow an informed discussion and decision to be made.

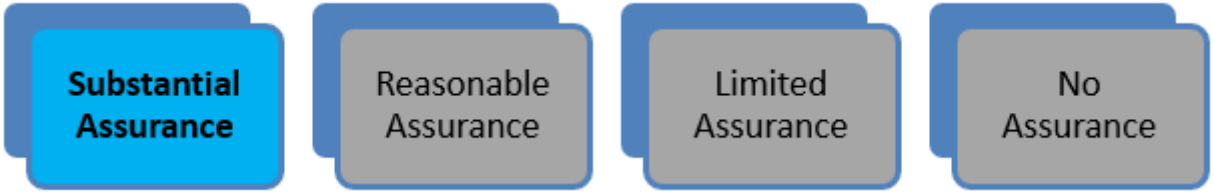
Executive Summary

Engagement Background

"National Measures" refers to the government wide policies and guidelines set out in the "National Planning Policy Framework" (NPPF) which are used by local planning authorities in England to assess and decide on planning applications, ensuring consistency across the country when considering factors like sustainability, housing development and environmental impact; essentially, a national standard for evaluating planning applications based on government policy; it defines the national criteria for approving or rejecting planning applications.

The Authority received the following number of planning applications in 2024:

- Planning applications - 1,896
- Discharge applications - 472
- Pre-applications – 188
- Tree applications – 329.



Summary of Our Opinion

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

Two low priority recommendations have been made regarding the introduction of a formal operational risk register for the department and updating procedures and process maps, some of which have not been recently reviewed.

With regards to the speed of making decisions on major development applications, we noted that only two of five decisions issued between 28/03/25 - 17/04/25 were made within the 13-week target; therefore, the Authority failed to meet the national target of 60%. Failure to meet this target could result in applications being dealt with by PINS (Planning Inspectorate of England & Wales) who would also receive any associated planning fees. However, this was due to the applicant refusing to give the Authority an extension of time; however, no fee refund was required as the previous EoTs took the applications over the 26 week fee refund period. We noted that during the rest of 2024/25 the Authority exceeded the national target, with performance at 100% for seven months in a row; therefore, no recommendation has been made.

Overall Objective

To gain assurance that Council processes are operating effectively and efficiently to ensure planning applications are processed within statutory timeframes regarding decisions and performance on determinations and Extensions of Time.

Summary of Key Recommendations

No high nor medium priority recommendations have been raised within this report.

Good Practice and Other Points to Note

- The Planning Department follow national legislation and guidance and are currently in the process of setting up a directory of procedure notes and process maps on Teams accessible by each officer within Planning.
- Comparing the Authority's performance in terms of speed and quality of decision making in planning applications with other councils within England identifies that the Authority is performing well against the national average, with the exception of the quality of major decisions where the Authority is slightly above the national average:

Performance Measure	Description	Timeframe	BCKLWN %	BCKLWN ranking	Average % for England Councils	% Previous Period	Comments
Speed of major development decisions	% within 13 weeks or within agreed time	12 months to end of Dec 2024	97.6%	5/118	90.06%	92.2% for 24 months up to end of Dec 2024	BCKLWN well above the national average and improvement on previous period

Speed of non-major development decisions	% within 8 weeks or within agreed time	12 months to end of Dec 2024	92.7%	62/163	90.3%	89.8% for the 24 months up to end of Dec 2024	BCKLWN above the national average and improvement on previous period
Quality of major development decisions	quality of decisions (% overturned at appeal)	April 2022-March 2024	2.9%	27/79	2.7%	5.95% 2023/24	BCKLWN slightly above the national average
Quality of non-major development decisions	quality of decisions (% overturned at appeal)	April 2022-March 2024	0.7%	8/30	1.0%	0.58% 2023/24	BCKLWN below the national average

- The Performance Management Report for Qtr. 3 2024/25 reported that all of the performance measures relating to planning applications were “Good” compared to the annual targets and were an improvement on 2023/24.
- The new Planning Member Code of Conduct was approved by Cabinet on 4th March 2025, updating the previous version which dated from 2017. The new code is based on codes already in use, including the latest (2023) Lawyers in Local Government standard model, provided in association with the LGA. The Code incorporates the guidance from the Planning Advisory Service. Planning Committee Members will continue to receive regular training to ensure compliance with the Code.

Executive Summary

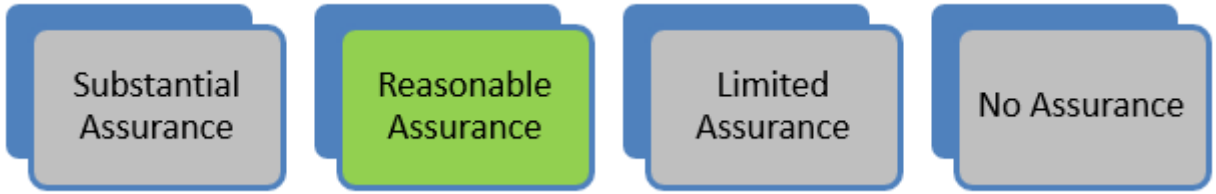
Engagement Background

Section 106 of the Town & Country Planning Act 1990 enables a local planning authority to enter into a planning obligation, commonly known as a Section 106 Agreement, to mitigate the impact of a specific development, and to make it acceptable in planning terms. These agreements are focused on site specific mitigation of the impact of the development by either the direct provision of infrastructure (both on and off site of the development) and through the payment of financial contributions to the Authority.

The planning obligation might, for example, require the provision or contribution to a new or improved road, school, health facility or local green infrastructure. Local planning authorities can also seek planning obligations to secure a proportion of affordable housing from residential developments.

There are currently (as at 3rd March 2025) a total of 771 planning applications with legal agreements which have pulled through from Uniform to Exacom and a total of 330 S106 agreements recorded on the Monitoring Spreadsheet (dating back to 2013) used by Planning to manage and monitor agreements. There are a total of 101 “active” Trackers being actively managed; in addition to these, there are a number of recent agreements which have been placed onto Exacom.

The Authority’s Infrastructure Funding Statement for 2023/24, reported that the total amount of income received through planning obligations (whenever agreed) in 2023/24 was £430,595.31, and total spent in 2023/24 was £392,454.52, with total retained income at year-end of £1,512,539.86. In addition, commuted sums retained for longer term maintenance amounted to £593,386.45 at year-end. During 2023/24, 79 Affordable Housing (AH) dwellings were completed and a further 57 AH dwellings agreed.



Summary of Our Opinion

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

Control weaknesses were found as follows: -

- A lack of policies and procedures are in place detailing the process for the setting up, managing and monitoring of S106 agreements. Where policies and procedures do exist, they are not up to date and are not subject to regular review.
- Regular reports on the progress of new developments, and income and expenditure relating to S106 agreements, are not provided to senior officers; however, information on new developments, and on income and expenditure, is included in the annual Infrastructure Funding Statement, which is published on the Authority's website.

Overall Objective

To gain assurance that robust controls are in place for ensuring that appropriate Section 106 Agreements as per the Town & Country Planning Act 1990 are made between the Authority and developers as part of the planning permission process, that the impact of new developments on an area is considered, and that the Authority secures income or other benefits through Planning Obligations from developers.

Summary of Key Recommendations

Two medium priority recommendations have been raised as follows:

- Process maps and policies/procedures should be compiled detailing the process for setting up, managing and monitoring S106 agreements, in compliance with current legislation and guidance. They should be regularly reviewed to ensure that they remain current and up to date and in accordance with current legislation and guidance. As per the Authority's Policy Guidelines, policies should include Version Control detailing when the policy was last reviewed, the frequency of review and the date when it is next due for review.
- Once the Exacom system has been populated with existing S106 agreement data, regular quarterly reports on the progress of new developments, income due, income received and outstanding income from S106 agreements should be compiled and presented to senior management, so as to provide assurance that the Authority is receiving all S106 income to which it is due.

Good Practice and Other Points to Note
Since the Systems & Admin Manager, Environment & Planning, assumed responsibility for S106 agreements in 2021, every S106 agreement has been reviewed, documentation and monitoring records have been tidied up, trackers created to monitor each current S106 agreement and the Exacom system procured. The next step is to undertake a position statement on every S106 agreement that is considered active, agree on the data that needs to be migrated onto the new system, and then load it onto Exacom. The Authority is currently in the process of moving its management of S106 agreements onto Exacom; it will be used to record and monitor S106 agreements, with all of the Authority's S106 agreements held on the one system. Currently, S106 agreements are held in a number of different places. New agreements have been loaded onto Exacom; it is envisaged that existing agreements will be loaded onto Exacom in the near future. There will be parallel running for a period while the existing agreements continue to be monitored on the current monitoring spreadsheet and individual trackers before eventually being transferred onto Exacom. Exacom includes a public facing website which, once fully populated, will include full details of all current S106 agreements. Exacom will enable more open and transparent reporting in that it will enable the user to drill down into the income and expenditure figures identifying the income received from each S106 agreement and where that income has been spent. Planning Management recognise the need to compile policies, procedures and process maps for the setting up, managing and monitoring of S106 Agreements, including Supplementary Planning Documents, and have commenced this process.

Executive Summary

Engagement Background

The BCKLWN Corporate Strategy 2023-2027 document, mentions preserving heritage and promote growth and prosperity to benefit West Norfolk.

The St. George's Guildhall and Creative Hub and the Draft Revised Business Plan June 2024, mentions the transformation of St. George's Guildhall and its mission to conserve and promote King's Lynn's heritage and culture, particularly connections to William Shakespeare, making them accessible and welcoming to all, whilst boosting skills and supporting new business and creative practice.

The St. George's Guildhall & Creative Hub Project was selected as one of the original Town Investment Plan projects in 2021. It was awarded £4.85M capital funding from the overall £25M Town Investment Plan (now Town's Fund), with £3.9M match funding; the total cost of the project was £8.84M.

In June 2022, the project was re-prioritised because additional works were identified to maximise the site and create an enhanced offer to provide wider benefits to the community and local businesses. Capital funding for the project was increased to £8.097M using re-prioritised funding from other Town Investment Plan projects, with an overall project total of £12.1M. The Council had provided £750K match funding for the project, with the remaining £3.3M to be funded through the National Lottery funding application, which was still being processed.

The National Lottery funding application was unsuccessful, leaving a £3.3M deficit in the funding plans, which had to be underwritten by the Council within its Capital Programme, as per the June 2022 Business Case.

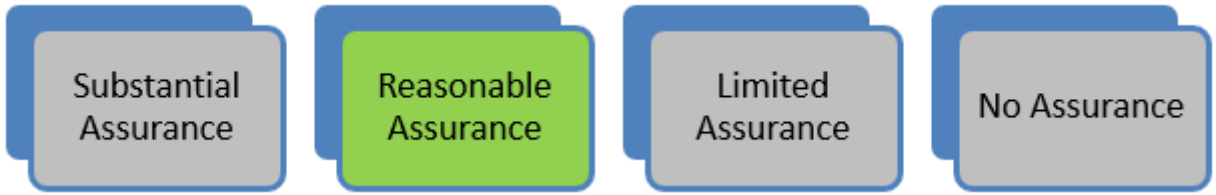
In July 2024, a revised business case was presented to Cabinet updating the project scope and costs to incorporate works for findings relating to Shakespeare during initial works for the project. The capital funding for the project remained the same at £8.097M, but overall project cost increased to £20.2M; therefore, there was a funding gap of £11.3M. At this point, the approval of project works continuing by the Cabinet was linked to securing funding first as detailed below. However, a similar stipulation was not in place in June 2022, and in our opinion the additional works and project costs should only have been approved if the National Lottery funding application was successful, which as it was not means that there is still a £3.3M funding deficit in the project which remains today.

The Cabinet report of 30th July 2024, Cabinet resolved: -

- To approve the Funding Strategy to secure £11.3m as set out in section 4 which will realise the finance required to achieve the Full Scheme, and to endorse advancement of applications to funding bodies. (To date, as far as we are aware, less than 10% of the Funding Strategy total has been secured.)
- That a report be brought back to Cabinet in February – March 2025 with the results of the Funding Strategy for a decision to be taken on approving the continued progress of this Major Project. (This meeting is now due to take place on 17th July 2025.)

We would expect that for project works to be approved, the required funding would be secured first and known by Cabinet when approval is requested. If not, then the Council risks being liable for funding the gap as happened in June 2022.

We would recommend that this is how project work approval should operate going forward at the Council and this control weakness reflects the overall opinion level assigned to this audit.



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

Overall Objective
The objective of the audit is to confirm that the St. Georges Guildhall & Creative Hub regeneration project is being appropriately managed and controlled, to ensure the project is completed on time and within budget.

Summary of Key Recommendations

No high nor medium priority recommendations have been raised within this report.

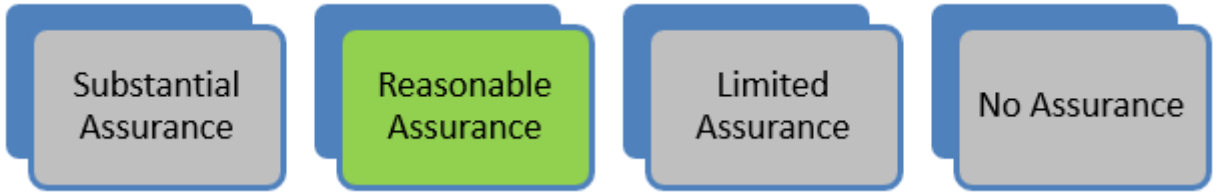
Good Practice and Other Points to Note

- The final business plan may depend on any further findings that may occur within the building itself, and the timing of these findings regarding further amendments to the Business Plan. Although it should be noted that during a recent discussion with the Project Team (12/05/25), it has been confirmed that archaeological studies are concluding soon so there should be no further delays to the project related to any additional discoveries.
- There is a significant concern as to whether the desired additional funding can be secured to enable the Full Scheme to be completed. This ~~again~~ has been raised with decision makers and stakeholders by the auditor, and data / information has been extensively reported to relevant officers and Members.
- The project aligns with the Council's current aims and objectives and has been appropriately approved.
- Project controls have been established to control and monitor the project and project documentation.
- There is compliance with procurement and contract processes.
- Changes to project scope, timelines and budgets are documented, approved, reported, and communicated appropriately.
- Appropriate controls are in place regarding additional project funding.
- Robust processes are in place for the identification of risks, including financial, operational, compliance, and reputational risks, and that risks are appropriately categorised.
- Mitigating controls are in place for all identified risks.
- Robust processes are in place for the monitoring of identified risks, including the adequacy of contingency plans in place to address significant risks that could impact the project's success, including plans for alternative funding, revised timelines, and resource adjustments.

Executive Summary

Engagement Background

The Borough Council of Kings Lynn & West Norfolk supports the aims and provisions of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA), as well as seeks to ensure compliance with the requirements of this legislation through having compiled its own Data Protection Policy.



Summary of Our Opinion

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

The following control weaknesses were found: -

- Records of disposal, as required by the Records Retention and Disposal Policy, are not always maintained when records are disposed due to staff being unaware of the need to record this. The Data Protection Officer (DPO) is not aware of this non-compliance as there are no mechanism in place to provide them with the assurance. The Council may not be able to demonstrate that it complies with statutory requirements and ensure they only retain data for the required period.
- Although there is evidence that Data Protection Impact Assessments (DPIAs) and Data Sharing Agreements (DSAs) are in place, it is not known whether all that are required to be in place are. A central log is only kept of those that the DPO and their team are involved with.
- A Record of Processing Activity (ROPA) exists but only covers one service area of the Council; this record needs reviewing and updating.

- Privacy policies are in place stating how the Council collects, processes and uses personal data, but it is not known whether all that should be in place are.

We can provide assurance that: -

- Appropriate training is available and conducted to ensure that all staff are aware of the Data Protection Act 2018 and General Data Protection Regulation and adhere to its requirements.
- Effective and robust mechanisms are in place to detect any personal data breaches.
- An 'incident response plan' is in place to outline the process for dealing with data breaches if or when these occur.
- Risks associated with the data security of all department areas are identified and mitigating controls are in place with adequate monitoring.

Overall Objective

The overall objective of the engagement was to gain assurance that all Council employees are complying with DPA and GDPR requirements concerning data storage, data retention, data breaches, and data security, with relevant internal policies and procedures in place, which are being followed.

Summary of Key Recommendations

A total of four medium priority recommendations have been raised as follows: -

- The Data Protection Officer and the Information Governance Officer should: -
    1. Ensure that all relevant departments within the Council have a Privacy Policy on the Council's website stating how the Council collects, processes and uses personal data, giving specific consideration as to whether a Privacy Policy is need for counter fraud activities.
    2. Ensure that the main Privacy Policy for the Council on its website under 'Why we Collect Data' includes the following statement 'Review and improve our delivery and provision of services (including for the purposes of internal audit)', and that 'We may share your data with other departments and services (including for the purposes of internal audit) within the Council so that we can review and improve our services to you.'
- The Data Protection Officer should undertake a thorough review of the existing ROPA that was created in 2018, and ensure the document is updated accordingly capturing all relevant service areas which process data.

- The Data Protection Officer should: -
  1. Ensure that as per the 'Records Retention and Disposal Policy, an audit trail of disposed records is maintained by Service Managers.
  2. Communicate this requirement to all Service Managers, referring them to 'Appendix B' from the 'Records Retention and Disposal Policy'.
  3. Implement appropriate monitoring controls which provide assurance that the Policy is being adhered to and Service Managers are keeping a record of disposals and data is being disposed of in accordance with the Records Retention and Disposal Policy.
  4. Satisfy themselves that an appropriate record in accordance with the 'Records Retention and Disposal Policy' is being maintained by the Contracts Management and Procurement Officer when boxes held by the external company are disposed.

- The Data Protection Officer should: -
  1. Identify the number of Data Protection Impact Assessments (DPIAs) and Data Sharing Agreements (DSAs) in place within the Council and implement a process so that they are continually aware of these.
  2. Ensure these are recorded within the central log kept by the Information Governance Officer, and appropriately monitored and managed.
  3. In conjunction with departments, ensure that where a type of processing is likely to result in a high risk to the rights and freedoms of individuals, and for the three areas that always require a DPIA, a DPIA has been completed and where data is shared with or processed by third parties, that a DSA is in place.

Good Practice and Other Points to Note

- The Information Governance Officer is aware that the 'Records Retention and Disposal Policy', along with the individual 'Data Retention Schedules' for each directorate area, are not as current as required. Therefore, they are undertaking a full review of these documents to ensure they accurately reflect corporate processes and adhere to the Data Protection Act and General Data Protection Regulation.
- New corporate documents are being created to provide guidance on 'Freedom of Information' and 'Environmental Information Regulations' requests as well as Data Protection Impact Assessments for relevant officers to refer to.

- The Systems and Administration Manager maintains all the disposal logs for different service areas who store information within the IDOX Uniform or IDOX DMS Systems. This is due to removing the right for deletion of files within these systems by any general user to ensure that only the Corporate Scanning Team have authorisation to delete files on request from managers.
- A 'Data Breach' Log exists to record any breaches that have occurred within the Council to enable the Information Governance Officer to identify the cause of these breaches in order to learn from these incidents.
- The Information Governance Officer delivers targeted training sessions (within service areas where data breaches occur) on ways of preventing data breaches and the process which is to be followed in the event of one occurring.

Executive Summary

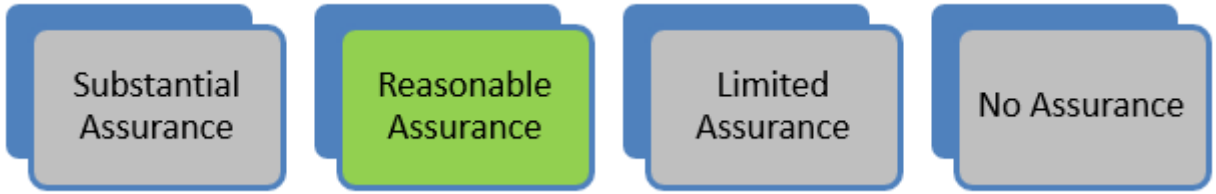
Engagement Background

As part of the Corporate Strategy priorities, the Council aims "To provide cost-effective, efficient services that meet the needs of our local communities; promote good governance; and manage sustainable financial planning and appropriate staffing."

The Finance system the Council uses is Unit 4. There is an Accounts Payable module which is one of the key finance systems. The module is used to raise Purchase Orders and pay suppliers.

There are two Key Performance Indicators (KPIs) for the Finance department, which are: -

- 99% of supplier invoices paid within 30 days
- 96% of local supplier invoices paid within 10 days
- Testing over a four-month period found that these KPIs were being met.



Summary of Our Opinion

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

Control weaknesses were found as follows: -

- Purchase orders are often raised after invoices have been received.
- Verification checks on new suppliers before they are set up on the finance system are not currently being completed by Procurement due to capacity issues; a new process for service areas to complete this is being established.

During our testing of Accounts Payable, the same observations were recorded as we had documented during the recent Contract Management audit. This again related to the roles and responsibilities associated with Contract Management and the periodic review and monitoring of the contract, particularly the financial aspects.

Overall Objective

With a 'very high' risk currently existing within the Corporate Risk Register, in respect of financial sustainability, an audit has been agreed to gain assurance on the robustness of internal controls in place within accounts payable. Additionally, where appropriate, data analytics will be used to provide greater levels of assurance through testing 100% of the data obtained.

Summary of Key Recommendations

One medium priority recommendation has been raised as follows: -

Finance should remind Service Areas, and Assistant Directors, that there are no exemptions for PO requisitions not being raised and authorised on UNIT 4 prior to ordering goods / services and invoices being received. If there are exemptions to PO requisitions being raised for example, for utilities, then this should be stated in the Financial Regulations.

Good Practice and Other Points to Note

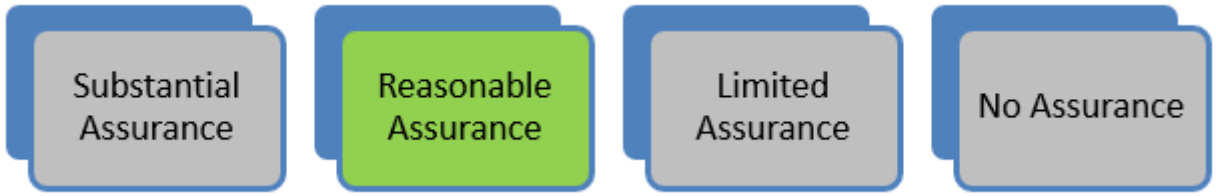
When Supplier bank account details are changed or when a new supplier is added to the financial management system (Unit 4) the workflow automatically sends a task to the System Admin Team to approve the details. The report shows who made the change as does the supplier record, in the workflow map, the log shows who approved it.

Executive Summary

Engagement Background

Public Open Space (POS) are responsible for the operation and maintenance of the Commercial Vehicle Fleet. As at 28/10/24, the vehicle fleet totalled 105 vehicles, comprising 84 diesel vehicles, four electric, five heavy oil, one hybrid, ten Mild Hybrid Electric Vehicles (MHEV) and one petrol vehicle. The fleet comprises various vehicles such as road sweepers, panel vans, tractors and ride-on mowers. All commercial vehicles are owned by the Authority. During the period of 01/10/24 to 14/10/24, a total of 24 ex-fleet vehicles were sold at auction and disposed of.

In 2023/24, total expenditure with Paul Johnson for fleet vehicle service and maintenance was £84,118; for the first four months of 2024/25, total cost was £31,039.65. In 2023/24, total expenditure with Fuel Genie for petrol and diesel amounted to £159,586.68; for the first six months of 2024/25, total fuel cost was £79,861.79.



Summary of Our Opinion

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

Control weaknesses were found as follows: -

- Reasonableness checks on the mileage completed by drivers or their fuel usage are not undertaken to ensure that vehicles or fuel are not used for personal use. Each vehicle is fitted with telematics which is used by POS management when an issue arises, a complaint against a driver has been raised, an accident has occurred or if a driver needs to be located and contacted in an emergency. The information provided by Fuel Genie and the Daily Vehicle Check Sheet completed by drivers recording their mileage could all be used to monitor mileage and fuel usage. In addition, the procedure for refuelling fleet vehicles does not reflect current practice.

- There is a lack of evidence of the vehicle maintenance contract with Paul Johnson being subject to regular market testing to ensure value for money is achieved. A written contract between the Authority and Paul Johnson does not exist and is not recorded on the Contracts Register. East Coast Motor Company and Bucher Municipal service specialist vehicles such as tractors, sweepers and mowers; a written contract with East Coast Motor Company has not been drafted.
- At the time of the audit, there was a lack of evidence that driving licences were being checked as per the Driving Licence Checks Process 2024. This procedure note does not indicate how often this check should be completed.

Overall Objective

The overall objective of the review is to gain assurance regarding the management of the Commercial Vehicle Fleet covering maintenance, road tax, insurance, duty of care checks for commercial vehicle fleet drivers, the process for refuelling vehicles and the keeping of fuel receipts, ensuring that the fleet is maintained in accordance with current legislation and guidance.

Summary of Key Recommendations

Three medium priority recommendations have been raised as follows: -

- Reasonableness checks on a sample basis should be performed on the usage of fleet vehicles to ensure that vehicles are only used for business use in work hours, and that mileage and fuel usage is reasonable for the driver's duties and journeys. Section 5.1 Fuel Cards of the Driving at Work Procedure should be updated to reflect current practice.
- Vehicle maintenance contracts should be subject to regular market testing to ensure that value for money is achieved and a written contract with the appointed contractor signed. Vehicle maintenance contracts with Paul Johnson and East Coast Motor Company should be compiled and shared with Procurement.
- POS management should regularly check driving licences as per the Driving Licence Checks Process 2024 and appropriately record that this has been completed. The frequency of checking drivers' licences should be detailed in the Driving Licence Checks Process 2024.

Good Practice and Other Points to Note
Good practice points to note: • Each vehicle is checked regularly to ensure its road worthiness. • Fleet vehicles have up to date road tax and insurance. • Fuel cards are used for each fleet vehicle.

Executive Summary

Engagement Background

The Cost Management & Income Generation (CMIG) Plan, included within the Medium Term Financial Plan (MTFP) 2024/2028, was approved by Council in February 2024. The Financial Sustainability Working Group (FSG) was set up to monitor and report on delivery of the CMIG Plan to the Transformation Board and Senior Leadership Team (now known as the Corporate Leadership Team). The CMIG Plan was expected to deliver total savings of £2.2m by the end of the MTFP period.

When the new Chief Executive joined in the summer of 2024, there was a drive to close the forecast budget gap for 2025/26 as soon as possible; therefore, an overarching Efficiency Plan was worked on as part of the budget setting for 2025/26. The new Efficiency Plan is much more ambitious than the CMIG Plan. The Efficiency Plan RAG rates the savings proposals; "Green" savings will be delivered during 2025/26; "Amber" and "Red" savings proposals require additional work to be undertaken before they can be implemented.

The Deputy Chief Executive (Section 151 Officer) reviewed the CMIG Plan and identified those schemes which could be included in the Efficiency Plan and revisited the FSG to identify what role it could play going forward. There will be some schemes in the new Efficiency Plan which are duplicated in CMIG; the Deputy Chief Executive (Section 151 Officer) reviewed what remained in the CMIG Plan to identify what could be interweaved into the Efficiency Plan.

The MTFP 2024/2029 was published on 21st January 2025; it went to Cabinet on 4th February 2025 and was approved by Full Council on 27th February 2025. The indicative position for 2025/26 to 2027/28 forecast is an unfunded budget gap of £9.227m. In order for the Authority to move towards a more sustainable financial position, the Authority undertook a review across its services to identify efficiencies and alternative income streams with the aim of bringing spend in line with income for 2025/26. This review identified savings, efficiencies and further income streams to close the budget gap for 2025/26 and reduce the gap considerably for the remainder of the MTFP; it was reported to Council that total savings identified for 2025/26 were £3,478,500 and the total for 2026/27 is £3,053,000. This will enable a balanced budget to be achieved in 2025/26. The savings are incorporated into the budget and will be monitored as part of budget monitoring during the year.

The Authority has developed a Transformation Framework to ensure that the Council operates efficiently and effectively; a report was presented to Cabinet on 14th January 2025 setting out the programme of works and how the Transformation Programme will be governed. Oversight of the Transformation Programme will be through the Transformation Programme Board, which will include Members and senior officers. A workshop was held in February 2025 to finalise the Transformation Board's terms of reference (ToR) and allow the Board to explore the Transformation Programme in more detail. The Transformation Framework will start on 1st April 2025 and will span over two years.

The Efficiency Plan, which is now called the Savings & Efficiency Plan (SEP), has effectively replaced CMIG. The two FSG Leads, the Office Manager and the Systems & Admin Manager, had a meeting with the Deputy Chief Executive (Section 151 Officer) on 21st February 2025 where the future role of the FSG was discussed. The FSG now has a better understanding of how they fit within the Transformation Programme and will develop enhanced linkage with the finance/budget process. The FSG will work with Assistant Directors and project leads on producing action plans with milestones, which will form the basis of the FSG's monitoring of progress against the SEP.

Financial Sustainability is a "very high" risk in the Corporate Risk Register, with a risk score of 20.

Overall Objective
To gain assurance that adequate progress is being made in the delivery of the Cost Management & Income Generation (CMIG) Plan and that it is achieving its objective of generating additional income and reducing costs.

Summary of Key Recommendations

A total of nine Improvement Actions have been raised as follows for consideration *(responses to each one from the Financial Services Manager are shown in italics):*

1. A policy or procedure document should be compiled detailing the CMIG / Efficiency Plan governance arrangements and the process followed in compiling, reviewing and approving individual schemes, drawing up action plans and targets, and providing assurance to senior officers and Members on the delivery of the CMIG / Efficiency Plan. *A tracker has been retained of the original Saving and Efficiency Plan and CMIG. The scope of the savings actions requires an adaptive framework for planning, monitoring and closure of actions. For example, second homes council tax and increases to service fees have been actioned and will be monitored within the Resources Team. Other actions will require policy, process and communication plans. Therefore, each action will be required to provide appropriate updates to the FSG Trackers and onwards to Transformation Board. The ToR for FSG and progression throughout the year will support and evidence the approach taken.*

2. The governance arrangements for the Transformation Programme should include how the FSG fits into the oversight and monitoring of the Transformation Programme if to continues to exist. *The AD for Transformation and Change and PMO Manager have documented the governance arrangements for the Transformation Board and the "pillars" which underpin the Transformation Programme. FSG sits within the cross cutting themes and is shown prominently as Financial Sustainability.*

3. A structured and consistent approach should be adopted regarding how the Value, Timing and Impact Confidence Assessment ratings are assessed. A criteria worksheet, in the form of a matrix, could be introduced to provide guidance on the assessment ratings being given. This would assist with the monitoring of each initiative against the criteria to help determine actual performance versus expected performance. *The AD for Transformation and the PMO Manager are implementing Performance Management Software. This will enable the capture of consistent ratings and supporting narrative. In the meantime, the FSG maintain their own tracker, to inform risk and onward reporting.*

4. A formal risk assessment should be undertaken on each scheme to identify, assess and score the risks to the delivery of the scheme, and to ensure that robust mitigating controls are in place. A Risk Register should be compiled of the risks and mitigating controls relating to the CMIG / Efficiency Plan. Progress made in the mitigation of identified risks should be regularly reported to Members and senior officers. Where it is determined that further mitigating controls are required to address identified risks, an action plan should be compiled to develop such controls. *The FSG team members individually review and discuss progress, issues and obstacles with responsible managers. The FSG then collectively escalate concerns critical or common to the delivery of the actions. Where necessary, matters requiring escalation, support, decision or influence are reported for consideration by the Transformation Board.*

5. Budget holders' responsibilities with regards to the delivery of the objectives of the CMIG / Efficiency Plan should be written down; they could be included within the Financial Regulations when they are next updated. *The Financial Services Manager will update the Budget Managers Responsibilities and include in that document reference to the Savings and Efficiency Plan duties. This will be too detailed for inclusion to the Financial Regulations but will have appropriate weighting and enforcement.*

6. Action plans should be compiled, incorporating realistic targets, for each scheme within the CMIG Plan. Action plans should have responsible officers identified and realistic timescales agreed. Performance targets / metrics should be regularly reported to senior management and Members, enabling the progress of each scheme to be monitored. *The FSG will give consideration to the content and form of monitoring needed and will facilitate areas that need support with this. The methodology needs to reflect the type of action and therefore the best form and source of metric data, appropriate for the type of action in the Savings and Efficiency Plan.*

7. The Future Opportunities & Quick Wins spreadsheet should include details of potential cost savings against each item being considered. The spreadsheet should include supporting evidence as to how decisions (whether to delete the proposal, discuss it or investigate it further) are made by the FSG, and whether the targets are realistic. Each item should be costed out and assessed in a robust manner against governance, control processes and risk management to establish whether it is a viable option to take forward. *FSG and CLT have reviewed the Future Opportunities & Quick Wins spreadsheet and identified any ideas that could potentially be taken forward. This helped inform the basis of the Savings and Efficiency Plan. The document will be updated with narrative to explain why actions have been paused or not considered for action. This will be reported to the Transformation Board for consideration and closure.*

8. Where the Confidence Rating has dipped into the Red category, these should be highlighted to CLT and TPB for corrective action to be taken to bring the plans back on track. *Prior to the Transformation Board FSG members will liaise with ADs to document the proposed mitigations and update progress or seek decisions.*

9. The CMIG Reporting Template and Future Opportunities & Quick Wins spreadsheet should include prioritisation of the schemes to ensure that efforts are focused in the right places in order to give the best opportunity of success. *A prioritisation methodology will reflect the Council Corporate Plan and Transformation Plan, in conjunction with the AD for Transformation and Change with a proposal put to the Transformation Board.*

***In conclusion** - It is important that FSG understand their responsibilities and are able to report effectively to TB on progress against the efficiency plan. The "green" items within the plan are all built into the 2025/26 budget, so if they are not delivered on there will be a budget implication.*

Good Practice and Other Points to Note

- As part of the Staff Engagement Sessions that were held following the Peer Review in 2024, staff were asked for cost saving and income generation suggestions/ideas which could be included in the CMIG plan.
- The Financial Plan 2024/2029 includes an Efficiency Plan which has identified sufficient savings and alternative income streams which will enable the Authority to achieve a balanced budget in 2025/26.
- Each CMIG proposal has had a quality impact assessment undertaken to assess whether it will:
  - have a material negative impact on the Authority's operations and/or outcomes; or create or increase a material risk to the organisation;
  - have no material impact to operations, outcomes or risk; or
  - materially enhance operations/outcomes or remove/reduce risk.
- CMIG schemes were scoped by Finance in liaison with Assistant Directors (ADs) and Service Areas. FSG have looked at other potential areas which could be included in the CMIG plan and which staff suggestions could be developed into potential schemes.
- FSG monitors progress made in the delivery of the CMIG schemes on a monthly basis, in liaison with relevant Service Managers and ADs.

Executive Summary

Engagement Background

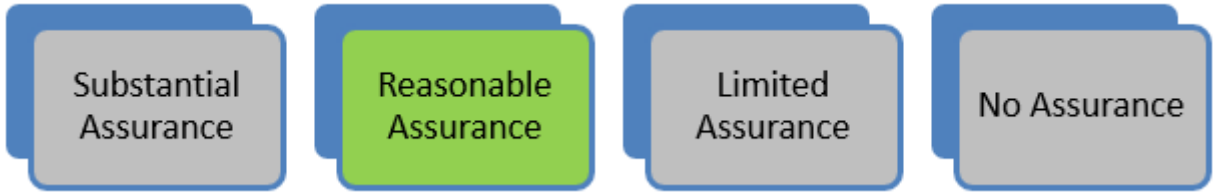
Financial Services function plays a critical role in ensuring the sound financial management and sustainability of the Council. Some of its core responsibilities include Strategic Financial Planning, Budgeting and Monitoring, Financial Reporting and Compliance, Treasury and Cash Flow Management, and Risk Management. These responsibilities are overseen by the Interim Assistant Director Finance (Deputy S151), who has a statutory duty to ensure the proper administration of the authority's financial affairs.

This year's audit focused on accountancy services, controls accounts and bank reconciliations, budgetary control, fixed assets and commercial property income.

A Performance Management Report was taken to Cabinet on the 26th of February 2025 to showcase the position of the Council against their KPI targets from Quarter 1 to Quarter 3 for the 2024/25 financial year. A few of financial targets reported show that, on average:

- approximately 5% of rent arrears are in relation to industrial units, with a target of 10%.
- approximately 10% of rent arrears are in relation to retail/general units, with a target of 25%.
- approximately 98% of supplier invoices are paid within 30 days, with a target of 99%.
- approximately 93% of local supplier invoices are paid within 10 days, with a target of 96%.

This enables the Council to monitor income and expenditure, ensuring best value for money is considered at all times.



Overall Objective

This is an annual review of key controls within the Council's systems to ensure they are working in practice. This year, the following areas will be subject to review: Accountancy Services (comprising General Ledger, Control Accounts, Budgetary Control and Fixed Asset Register) and Income (commercial property income).

Summary of Key Recommendations

One medium priority recommendation had been raised as follows:

- Ensure that the bank reconciliations are independently reviewed and signed as such by a responsible senior officer within Finance once completed. (**30th September 2025)**

Good Practice and Other Points to Note

- The Interim Financial Services Manager, who was in post prior to the 1st of April 2025, had reviewed the Financial Regulations document which was last updated in 2018 and produced a draft document. In effect, providing a clear framework for managing public funds responsibly and transparently, ensuring legal compliance, promotes accountability, and standardises financial procedures across departments.
- Timely, accurate, complete and up to date budget information is provided to senior management on a regular basis to ensure budgets are being deployed as planned and approved in support of agreed priorities and objectives. This enables leaders to make strategic, data-driven decisions aligned with organisational priorities and financial realities and promotes transparency as well as accountability.

Executive Summary – KLWN2422 – Network Management

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit has sought to provide assurance over the risk of Network Security weaknesses.

KEY STRATEGIC FINDINGS

- No Incident Management Policy and procedure are in place which may mean there is an inconsistent approach to managing incidents.
- No IT Risk Management Policy and associated procedures are in place.
- Current password policy does not meet the National Cyber Security Centre's (NCSC) best practice, due to the seven-character minimum length and requirement for password renewal. This may lead to security vulnerabilities.
- ICT Security Policy and Patch Management Policy require review which may mean these are out of date and not aligned with best practice.

GOOD PRACTICE IDENTIFIED

- Monitoring is in place to detect network resource issues.
- Multi-Factor Authentication is in place for remote access to the network.

SCOPE

The review assessed the effectiveness, adequacy, and compliance of the Council's network security measures to safeguard the confidentiality, integrity, and availability of information and data within the network infrastructure.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	3	0

The audit covered the following: Network Management policies and procedures, Network Resource Management User & Service Account Management, Password Policy, Endpoint Security Management, Network Activity Monitoring, Backups Management, Core/non-core software licence management, IT Risk Management.	

Recommendation	Priority	Implementation Time
To ensure that an Incident Management Policy and associated procedure documentation is implemented and approved. This policy should outline how incidents should be managed, including initial reporting, triage and investigation, escalations, resolutions and lessons learned.	2	Already Implemented
To ensure that the ICT Security Policy is reviewed and updated as required. Reviews should be recorded alongside any updates within the version history to provide an audit trail.	3	11/07/2025
To ensure that the password minimum length is extended to at least 12 characters, and remove the maximum age limit. As part of this, Password Protection should also be enabled to check passwords against the Microsoft Global Banned Passwords list.	3	31/07/2025
To ensure that an IT Risk Management Policy and associated procedures are implemented and approved. This should include how regularly the risk register should be reviewed, the process for adding new risks, and standard risk management actions such as assessment, and mitigation plans.	3	30/09/2025

Outstanding Recommendations by Year — Appendix 3

2019/20

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Car Parking and Civil Enforcement					
As referred to in the King's Lynn Transport Strategy, BCKLWN should develop a Car Parking Strategy. This would ensure that a town-wide approach to car parking management is achieved, together with enabling the delivery of the Transport Strategy's suggested improvements.	Medium	Jemma Curtis, Regeneration Programmes Manager	31/03/2021	31/12/2025	June 25 - Revised draft expected back from Aecom early June 2025 for consideration by CLT before briefing/socialising wider with cabinet, panels and stakeholders.

2021/22

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Policies					
All policies should be held centrally within one corporate index of policies. This would make it easier to monitor and update policies, ensuring they remain current and effective. A central repository would also make it easier for officers and Members to locate a particular policy.	Medium	Honor Howell, Interim Assistant Director Transformation and Change	31/12/2022		June 25- No progress update provided Jan 25 - Still resource constraints but recruitment taking place within next few weeks to resolve this. Revised due date TBC

2022/23

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2209 – Accounts Receivable					
It should be ensured that debt write-offs are appropriately authorised in accordance with the Authorised Signatories Listing. The Group Accountant should collate the reason for these debts and the reason for the write-off for presentation to the FSM for retrospective consideration resulting either in approval or re-instatement of the debt.	Medium	Carl Holland, Interim Assistant Director Finance (Deputy S151)	31/07/2023	09/01/2025	June 25 - Proposals have been drafted and can now be built into the finance system. However, this needs to be aligned with a number f awareness sessions which the AD Finance intends to deliver in July and August.
Debt write-offs should be regularly reported to senior management; they should include the following details: • Name of the debtor • Reason for the write-off • Age of debt • Amount written-off • Recovery action that was undertaken, where appropriate, to demonstrate that all avenues were exhausted to recover the debt prior to it being written-off.	Medium	Carl Holland, Interim Assistant Director Finance (Deputy S151)	31/07/2023	16/06/2025	June 25- This is now happening. IA Comment - this is a medium recommendation and requires evidence to close. Awaiting information from the Senior Finance Business Partner (AP/AR).

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2208 – Procurement & Contract Management					
All procurements over £25,000 should be brought to the attention of Procurement to ensure that procurement rules / CSOs are followed. Procurement should send out a global email to all departments and service areas within BCKLWN and AWN requesting them to provide details of all procurements over £25,000 and send out a reminder email each year. Procurement should monitor responses to ensure all are returned, instead of accepting a non-response as meaning no contracts are in place. If nothing is forthcoming, Procurement need to escalate it to the appropriate AD. This will ensure that Procurement are made aware of all contracts negotiated by the Authority and that they are recorded in the Contracts Register. The Procurement Strategy should be amended to state that all procurements over £25,000 are brought to the attention of the Procurement Team, which is in line with the tender threshold. In addition, Procurement should check that a valid contract exists before a new supplier is set up on the Finance system.	Medium	Jane Mitchell, Procurement and Contract Manager	30/06/2023	30/09/2025	June 25 – No progress update provided. Jan 25 - Contracts Register requirements built into new CSOs approved by FC on 30 January - quarterly meetings to be held with each directorate which will go through their contracts on the contracts register to ensure up to date - final element re finance should be a finance rec not procurement.

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Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2310 - Capital Programme					
Review and update the Asset Management Plan and assign a responsible officer for Asset Management Planning (to help feed into the Capital Programme). Organisationally there needs to be a consideration for ICT assets.	High	Jason Birch, Interim Assistant Director, Property & Projects Thomas Putt, Interim Property & Projects Advisor	30/09/2024	12/12/2025	June 25 - This is with property. The proposal is to do a photographic survey and to review the timing of a stock condition survey in light of LGR. Post LGR new organisations will probably want to carry out an analysis of the new joint portfolio and would want to do this using a common survey. Work carried out now/ surveys could be of limited use if they need to be redone. Work is being done on operational buildings plant and machinery and with corporate H&S work is ongoing on Statutory Compliance. In relation to disposals a high-level review of sites for disposals is being undertaken and a study of the second-floor accommodation is being undertaken, led by MF. Jason Birch and Tom Putt have joined.
Consider an 8-to-10-year Capital Programme, to capture full life-cycle project costs and where projects within the programme may be slipping in terms of timescales.	Medium	Carl Holland, Interim Assistant Director Finance (Deputy S151)	28/02/2025		June 25 - This is now a much lower priority. Whilst the Local Govt Reorganization takes place.
Consider the introduction of a corporate project governance policy with procedures and triage/bidding process to ensure appropriate documents are used and include relevant information.	Medium	Honor Howell, Interim Assistant Director Transformation and Change	31/03/2025		June 25 – no progress update provided.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.	Medium	Carl Holland, Interim Assistant Director Finance (Deputy S151)	31/03/2025		June 25 – no progress update provided.
Consider the benefits of introducing highlight reports at “programme level” as well as “individual project level” within each programme.	Medium	Jason Birch, Interim Assistant Director, Property & Projects Thomas Putt, Interim Property & Projects Advisor	31/03/2025	12/12/2025	June 25 - Following reorganisation, there needs to be a discussion with the PMO manager over the approach and for property projects across the two teams to adopt a common approach.
KLWN2303 – Complaints & FOIs					
Once the Corporate Complaints Policy has been revised and updated, it is recommended that it be placed on the Authority’s website, with a direct reference to the policy clearly sign-posting users to it. The policy to also be placed on InSite so that it is easily accessible by officers and Members. An article to be included in Staff Update notifying staff of the revised policy and the	Medium	Honor Howell, Interim Assistant Director Transformation and Change	30/11/2023	15/04/2025	June 2025 – no progress update provided.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
action that staff should take if they receive a complaint.					
The Corporate Complaints Policy to be enhanced by including the following: - • Version control / document history, • make reference to the Data Protection Act 2018, • include a flowchart detailing the process for handling a complaint, • have working hyper-links to associated policies and forms, • reference relevant Council policies and procedures, • detail the roles and responsibilities of those officers who deal with complaints handling, • specify the length of time that documents relating to complaints should be held for (in accordance with the Council's Document Retention Schedule), • a section on "Learning from Complaints" outlining how the Council will learn from complaints, the process of analysing complaints, identifying trends and using it to drive service improvements, • a "Distribution" section outlining how the policy will be distributed i.e., the policy is available on the Council's website and on InSite.	Medium	Honor Howell, Interim Assistant Director Transformation and Change	30/11/2023	15/04/2025	June 2025 – no progress update provided.
KLWN2301 – Corporate Governance					
The policy review process followed by the Corporate Governance Team to ensure that the recommendations arising from the	Medium	Honor Howell, Interim Assistant Director	31/07/2024		June 25 – no progress update provided.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Internal Audit review of Policies are implemented in full, such as ensuring that: - • all Tier 1 and Tier 2 policies are held centrally, on InSite; • the appropriate approval process is followed for all Tier 1 policies; • policies are subject to regular review; and • Tier 1 and Tier 2 policies comply with the Policy Guidelines and Policy Template.		Transformation and Change			Jan 25 – pending resource – this to be commenced shortly.
To compile a Declaration of Interests, Gifts & Hospitality Policy relating to Officers. The policy to include the following: - • policy statement setting out the purpose of the policy, and its aims and objectives; • who the policy applies to; • interests which the Council requires staff to declare, with examples of situations which may result in a conflict of interest for staff; • process for the declaration of interests, gifts, hospitality and sponsorship (with flowcharts appended to the policy clearly setting out each process); • roles and responsibilities of staff, service managers, ADs, EDs, Chief Executive and MO; • links to other related policies; • enforcement, sanctions and compliance with the policy; • template declaration forms.	Medium	Honor Howell, Interim Assistant Director Transformation and Change	30/09/2024		June 25 – no progress update provided. Jan 25 – draft and being considered as policy refresh for HR
To compile a Declaration of Interests, Gifts & Hospitality Policy relating to Officers. The policy to include the following: -	Medium	Honor Howell, Interim Assistant	30/09/2024		June 25 – no progress update provided.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
• policy statement setting out the purpose of the policy, and its aims and objectives; • who the policy applies to; • interests which the Council requires staff to declare, with examples of situations which may result in a conflict of interest for staff; • process for the declaration of interests, gifts, hospitality and sponsorship (with flowcharts appended to the policy clearly setting out each process); • roles and responsibilities of staff, service managers, ADs, EDs, Chief Executive and MO; • links to other related policies; • enforcement, sanctions and compliance with the policy; • template declaration forms.		Director Transformation and Change			Jan 25 – draft and being considered as policy refresh for HR
The Officers' Code of Conduct to: - • be publicised via an article in Internal Affairs reminding staff as to what is expected of them as employees of the Authority; • be specifically mentioned in the staff induction programme; • state when it was last reviewed, frequency of review and when next due for review; • include the main corporate policies that staff should be aware of, and • • include full details of the process for the declaration of interests by officers, including a flowchart setting out the process to be followed.	Medium	Honor Howell, Interim Assistant Director Transformation and Change	30/09/2024		June 25 – no progress update provided. Jan 25 – Officer Code of Conduct being refreshed as part of HR policy refresh package. IA has seen the revised document.HR policies were refreshed and went to Cabinet on the 19th of March. Request evidence of the bullet points asked.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2302 – Key Controls & Assurance					
The Financial Regulations should be updated to include a reference to the management of fixed assets and the maintenance of the Fixed Asset Register.	Medium	Carl Holland, Interim Assistant Director Finance (Deputy S151)	28/02/2025		June 25 – no progress update provided.
KLWN2318 – Land Charges					
Following the recent signing of the Collaboration Agreement between the Authority and HMLR, a comprehensive Project Plan be compiled setting out the steps involved in the data migration.	Medium	Lee Osler, Office Manager	31/12/2023	31/03/2026	June 25 - Following visits from HMLR we have now received the 'discovery report'. The Office Manager is in the process of reviewing the report before signing and returning to HMLR. HMLR have also requested planning microfiche for 1976 so they can digitise, fiche will be sent to HMLR on 9 June 2025. There is still no clarity on when a formal project plan will be presented to us to review and agree. Until this stage has been completed then no funds will be released by HMLR.
As part of the Project Plan for the data migration from the LLC Register to HMLR, the process for data cleansing and data validation, and the security arrangements to be adopted, such as data encryption, be formally documented.	Medium	Lee Osler, Office Manager	31/12/2023	31/03/2026	June 25 - Following visits from HMLR we have now received the 'discovery report'. The Office Manager is in the process of reviewing the report before signing and returning to HMLR. HMLR have also requested planning microfiche for 1976 so they can digitise, fiche will be sent to HMLR on 9 June 2025. There is still no clarity on when a formal project plan will be presented to us to review and agree. Until this stage has been completed then no funds will be released by HMLR.

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Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2404 - Contract Management					
Procurement, Legal and Contract Managers should ensure that all new contracts include the requirement to establish, agree and monitor relevant KPIs, where proportionate to the value and nature of the contract, and hold documented regular performance monitoring meetings, at least quarterly.	Medium	Jane Mitchell, Procurement and Contract Manager	31/03/2025		June 25 – no progress updates provided.
KLWN2403 – Corporate Health and Safety					
Awareness of the importance of reporting “near misses” should be raised with officers. A Staff Briefing should be issued reminding officers of the importance of reporting “near misses”.	Medium	Philippa Smith, Environmental Health Manager (Commercial)	31/05/2025	01/06/2025	June 25 - With the intention of having the new Intranet and Health and Safety section on it, work has been diverted into ensuring that this is ready and will provide clearer and easily accessible content . This includes new online forms for accidents, V&A together with separate pages helping to explain what action is needed. When it is launched in what is now going to be June, this will be ready and promoted to all employees. Changes have been made and implemented to the staff induction to ensure that near misses are discussed. The health and safety awareness training that all staff undertook has also covered near misses.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
KLWN2402 – Risk Management					
The Corporate Risk Register should be enhanced to include the following: • Writing risks in the form of a "risk event", with the cause and potential impact of the risk on the achievement of the Authority's strategic objectives if the risk was allowed to materialise. • Cross-referencing each risk to the relevant corporate objective. • The Lead Officer responsible for managing the risk. • The sources of assurance on effectiveness of identified controls. • Target dates for the implementation of agreed actions, including RAG rating. Directorate Risk Registers should: • Have the same format as the Corporate Risk Register. • Cross-reference risks to the Directorate Priority or Service Objective to which they relate. • Be regularly reviewed (at least annually) and updated, where appropriate. • Assign responsible officers to each risk and include due dates for actions.	Medium	Ged Greaves, Senior Corporate Governance & Risk Officer / Climate Change Manager	30/11/2024		June 25 – no progress update provided. Jan 25 - The Corporate risk register is being reviewed by Management Team and a rewording of the risks has been suggested to clearly describe the cause and impact of each risk. Each risk has been cross-referenced to corporate priorities and objectives. Management Team are due to review the register on 18 February 2025. Lead officers for each risk are subject to the management structure review. The review of the register is also looking at reducing the narrative and clarifying actions. The Council has purchased a software package for monitoring and reporting on actions, performance indicators, risks, complaints, data protection requests and audit recommendations. The system is being developed and populated and will ultimately replace the current Excel file which becoming unsuitable for storing the required risk information.

Definitions

Assurance Opinions: -

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

Recommendation Ratings: -

High	A fundamental control process, or statutory obligation, creating the risk that significant fraud, error, or malpractice could go undetected.
Medium	A control process that contributes towards providing an adequate system of internal control.
Low	These issues would contribute towards improving the system under review and are of limited risk.