

## AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	23 March 2026		
TITLE:	Internal Audit Plan, Charter and Mandate 2026/27		
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**

<b>PURPOSE OF REPORT/SUMMARY:</b> The Audit Committee receives the Internal Audit Plan for review and approval along with the Charter and Mandate for Internal Audit. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
<b>KEY ISSUES:</b> There are no key issues but note the use of contractors to supplement the in-house team to complete the Plan of audit work; some audits may be deferred or cancelled depending on the budget available for contractors.
<b>OPTIONS CONSIDERED:</b> N/A
<b>RECOMMENDATIONS:</b> It is recommended that: -  That members review and approve the Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.
<b>REASONS FOR RECOMMENDATIONS:</b> In receiving this report, the Audit Committee is fulfilling their terms of reference and role as approver of the Plan, charter and Mandate.

## **REPORT DETAIL**

### **1. Introduction**

The Audit Committee receives the Internal Audit Plan for review and approval along with the Charter and Mandate for Internal Audit. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

The Internal Audit Plan 2026/27 was established with the Executive Teams and is shown within the report. The Plan is flexible and will be subject to quarterly reviews to meet the changing needs of the Council as necessary.

The Charter and Mandate has been reviewed and updated for the CIPFA Application Note – Global Internal Audit Standards in the UK Public Sector. The changes include: -

- Global Internal Audit Standards changed to Global Internal Audit Standards in the UK Public Sector throughout.
- Reference to the Nolan Principles under the Ethics and Professionalism section.
- A new section on Communication with key stakeholders in the Communication with the Audit Committee and senior management section
- A change in the section Quality and Assurance Improvement Programme regarding the qualifications of the external Assessor.

### **2. Proposal**

The report sets out the Internal Audit Plan 2026/27 and Charter and Mandate.

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

Members should note the areas for audit in 2026/27, that the low priority area will likely not be delivered, the areas for monitoring which may result in an audit at some point and that the plan is flexible and may change in year if other more urgent areas for audit arise.

### **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 approve the Internal Audit Plan 2025/26 and the Charter and Mandate.

## **11. Background Papers**

Appendix A – Internal Audit Plan 2025/26

Appendix B – Internal Audit Charter and Mandate

EASTERN INTERNAL AUDIT SERVICES



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



**BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK**

**Internal Audit Plan 2026/27**

**Head of Internal Audit: Teresa Sharman**

## Contents

Approach to Internal Audit Planning .....	1
Introduction .....	1
What do the Standards say? .....	1
Audit Universe and Risk Assessment .....	2
Audit Planning Approach .....	3
Internal Audit Resources.....	5
Appendix 1 – Top Level Audit & Risk Universe.....	7
Corporate Priorities and Risks .....	7
Business Service Areas .....	8
Appendix 2 - Internal Audit Plan 2026/27 .....	9
Quarter 1 .....	9
Quarter 2 .....	10
Quarter 3 .....	12
Quarter 4 .....	14
Grant Certifications.....	14
Low Priority Audits .....	15
Follow Up .....	15
Areas being monitored .....	16

# Approach to Internal Audit Planning

## Introduction

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

To achieve this, a risk-based internal audit plan is developed, and audits are carried out.

## What do the Standards say?

### Creating a plan

In accordance with the Global Internal Audit Standards (GIAS): -

'The chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risks. This assessment must be informed by input from the board (Audit Committee) and senior management as well as the chief audit executive's understanding of the organisation's governance, risk management and control processes. This assessment must be performed at least annually.'

'The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.

- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

### Review, revise and changes to the Plan

'The chief audit executive must review and revise the Internal Audit Plan as necessary and communicate timely to the board (Audit Committee) and senior management: -

- The impact of any resource limitations on Internal Audit coverage.
- The rationale for not including an assurance engagement in a high-risk area of activity in the Plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.'

'The chief audit executive must discuss the internal audit plan, including significant interim changes with the board (Audit Committee) and senior management. The plan and significant changes to the plan must be approved by the board (Audit Committee).'

## Audit Universe and Risk Assessment

The Standards require an organisational risk assessment to be completed at least annually as the basis for the plan. This year, reliance has been placed on the Council's risk information as detailed in its Risk Register.

Our approach to preparing the Council Internal Audit Plan is to develop an audit and risk universe based on an understanding the Council's corporate priorities and risks, and key outcomes. The risk universe is the Council's corporate risks, and the audit universe is the Council's corporate priorities and its business services, processes, programmes, and systems. Each audit in the Plan links back to corporate risk or corporate priority where relevant.

**Appendix 1** shows the top-level audit and risk universe, and not all the corporate risks, corporate priorities and areas within each service business area; therefore, only red and amber corporate risks and corporate priorities are detailed.

## Audit Planning Approach

### Audit planning

Audit planning meetings were held with the Executive Teams to develop the Council's Internal Audit Plan.

Discussions focused on areas such as: -

- The corporate priorities and service objectives in Executive Plans and the programmes / projects and planned outcomes detailed within and their delivery timescale.
- The importance of the service or process to the Council i.e., whether it is a statutory or critical service, for legal or regulatory requirements or to meet strategic priorities.
- New and existing programmes and projects.
- Whether assurance is received from other parties.
- When Internal Audit last looked at the service, project, programme or system and what level of assurance was given.
- Whether there were new systems in place or proposed.
- The performance of the service.
- Changes to laws and regulations.
- Council concerns with systems or processes.
- The involvement of third parties.
- Materiality in monetary terms.
- An overarching scope was discussed for each audit, which will be confirmed when the audit is completed.
- Whether the work would be advisory, or assurance work, along with when would be best to complete the audit in the year, avoiding known peak work periods where possible.

### Essential, high, medium and low assurance requirements

Audits are defined as an essential, high, medium or low assurance requirement, to provide an order of priority for audit work for the year which will be applied if the audit budget is insufficient once scopes are agreed and days allocated to audits. Audits defined as a low assurance requirement are not expected to be completed as part of this year's Internal Audit Plan.

The resulting plan is shown in **Appendix 2** and shows where audit work links back to the Council's corporate priorities and programmes / projects and risks. Only those corporate risks and priorities and service business areas where audits are proposed are shown in **Appendix 2** and not all the audit and risk universe.

### Audit Themes

An analysis of the recommendations made in 2024/25 found that the categories for 'timely, accurate data and information and communications' (data accuracy, audit trails, reporting cadence, documentation quality, record keeping, system data completeness, or improved visibility of information e.g., monitoring dashboards, logs, online publication) and 'robust roles, responsibilities accountability and authorities' (clarification of owners, approvers, reviewers, roles, oversight responsibilities, delegated authority, segregation of duties, or the establishment of clearer governance accountability lines), had the most recommendations classified under them, 27% and 22% respectively.

For 'robust roles, responsibilities accountability and authorities', recommendations related to clarity of roles, oversight, and accountability. Weaknesses in controls in this category could mean that there are risks of gaps in oversight, diluted accountability, or decision / actions not being reliably tracked or escalated.

For 'timely, accurate data and information and communications', recommendations centred around data quality, reporting, evidence and audit trails. Weaknesses in controls in this category could mean there are risks of management decisions being made on incomplete / untimely information, an inability to demonstrate compliance when challenged or slower issue detection.

For each audit in 2026/27, the audit scopes will include points on these areas where this is relevant.

### **Flexible plan**

To ensure that the plan is flexible to meet the needs of the Council in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture, the Internal Audit Plan will be reviewed with the Executive Teams quarterly and updated accordingly, including whether the assurance requirement category remains valid.

Changes to the Plan will be outlined to the Audit Committee in the quarterly Progress Report for them to review and agree.

## **Internal Audit Resources**

### **What to the Standards say?**

‘The chief audit executive manages resources to implement the internal audit function’s strategy and achieve its plan and mandate.

Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.’

### **Staffing**

The role of the Head of Internal Audit is provided by South Norfolk Council through the Eastern Internal Audit Service (EIAS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Norwich City Council and Great Yarmouth Borough Council, and the Broads Authority. All Councils are bound by a Partnership Agreement.

At the EIAS Consortium, a mix of in-house staffing and external contractors provides a variety of daily rates, enabling overall value for money clients whilst having access to a variety of specialist auditors and more capacity at peak times.

The delivery of audits for the Council is provided by an in-house team, who report functionally to the Head of Internal Audit and administratively to the Assistant Director of Finance / Deputy S151, supported by contractors from the EIAS Consortium.

The in-house Team comprises a Senior Internal Auditor (1 FTE) and an Auditor (0.7 FTE).

Further details on the strategy for human resources will be in the new Internal Audit Strategy that is being developed.

### **Technology**

Further details on the strategy for technology will be in the new Internal Audit Strategy, but the use of data for continuous auditing through data analytics and audit need is one aspect that is being considered. Currently, data analytics is used for full population testing in some audits. AI is used in audit work for background research, writing risks, and summarising findings in report writing. It is not currently used in audit testing.

# Appendix 1 – Top Level Audit & Risk Universe

## Corporate Priorities and Risks

Corporate Priorities			
Promote growth and prosperity to benefit West Norfolk	Protect our environment	Efficient and effective delivery of our services	Support our communities
Corporate Risks (red and amber)			
Facilitating and enabling growth		Financial Sustainability LGR	Community Cohesion
	Hunstanton sea defences Climate Change mitigation and adaptation	Corporate Governance Statutory Compliance Contract / Supply Failure Reputation Management Data Management & Security Continuity of Service Organisational Change Significant programmes / projects	Cost of living

Corporate Priorities			
Promote growth and prosperity to benefit West Norfolk	Protect our environment	Efficient and effective delivery of our services	Support our communities
		Devolution H&S Compliance of Property Assets	

## Business Service Areas

Business Service Areas		
Corporate Services Finance IT Transformation and Change HR & OD Communications Customer Services	Operations & Commercial (e.g. car parking, waste, parks and open spaces) Property & Projects Health Wellbeing & Public Protection Leisure and Culture	Regeneration, Housing & Place Environment and Planning Legal, Governance, Licensing Procurement, Contract Management Risk Management Democratic Services

## Appendix 2 - Internal Audit Plan 2026/27

### Quarter 1

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Alive West Norfolk (AWN) - Stock Management (Medium)	<b>Efficient and effective delivery of our services</b>	A stock control management audit is requested to ensure that this area is monitored and managed effectively and will cover areas such as the theatre, cinema, Stories of Lynn and Lynnsport.	Assurance as to whether stock control and inventory management arrangements are designed and operating effectively to ensure that stock is safeguarded, accurately recorded, efficiently managed, and used in accordance with organisational needs and financial regulations.
Cash Handling (Medium)	<b>Efficient and effective delivery of our services</b>	Large amounts of cash are still received at leisure centres, resorts and car parks and assurance on cash handling and security is requested.	Assurance that all cash received across leisure centres, resorts and car parks is fully, accurately, and promptly recorded; securely handled and stored; appropriately safeguarded against loss, theft, or misuse; and that effective controls are in place to ensure cash is properly accounted for and banked in a timely manner.
King's Lynn Enterprise Park (High) Advisory	<b>Facilitating and enabling growth</b> 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,	There is a service objective to promote the Enterprise Zone as a high profile location to grow and invest, focused on the priority sectors in the local economy including manufacturing, advanced engineering, med-	An assessment of the factors that have contributed to the slower-than-expected progress of the King's Lynn Enterprise Park (KLEP) since its establishment, evaluating the effectiveness of governance, planning, infrastructure delivery, market engagement, and performance management arrangements; and to identify lessons learned and opportunities for

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
	<p>inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.</p> <p><b>Promoting growth and prosperity to benefit West Norfolk</b></p>	<p>tech and related supply chains, as well as complete the western access and infrastructure to open up further plots to support further business expansion on the Park.</p> <p>Progress has not been as expected, and an advisory work on why the Enterprise Park has not progressed as fast as it should and learning from this is requested.</p>	<p>strengthening future delivery so that the Enterprise Zone can maximise occupation, support target sector growth, and realise the intended business rates retention benefits by 2041.</p>

## Quarter 2

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
<p>Procurement (Medium)</p>	<p><b>Efficient and effective delivery of services</b></p>	<p>There is a service objective for the Procurement and Contract Management Transformation / Social Value Framework.</p> <p>There is also compliance with the new Procurement Act 2023, effective from February 2025. An audit to ensure</p>	<p>Assurance that the Council's procurement framework, practices, and controls are effective, transparent, and compliant with relevant legislation and internal policies, procurement activity achieves value for money and risks relating to supplier selection, and financial stewardship are appropriately managed considering the new Procurement Act 2023.</p>

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		controls in this area are robust is requested.	
<p>Hunstanton Sea Defences - Hunstanton Coast Management Plan (Medium)</p>	<p><b>Hunstanton Sea Defences</b> Significant capital works are required to be undertaken to the Hunstanton sea defences to maintain the existing flood defences to prevent failure.</p> <p><b>Protect our environment</b></p>	<p>There is a service objective for the implementation of the Hunstanton Coast Management Plan. Assurance to ensure that the controls, to deliver the Plan, are robust is requested.</p>	<p>Assurance that the Council has adequacy and effective governance, risk management, operational controls, and partnership arrangements in place to deliver the Hunstanton Coast Management Plan and its associated workstreams covering strategic planning and oversight, partnership and stakeholder management, and project and programme management.</p>
<p>Treasury Management (High)</p>	<p><b>Efficient and effective delivery of our services</b></p>	<p>There is a service objective to optimise performance towards both the Treasury Management and the Capital Strategy each year.</p> <p>The Council's Treasury Management function is responsible for managing cashflow, investments, and borrowing in line with statutory requirements, the CIPFA Treasury Management Code, the Prudential Code, and the Council's Treasury Management Strategy (TMS) and Capital Strategy.</p>	<p>Assurance that the Council's Treasury Management arrangements are fully compliant with statutory and regulatory requirements (CIPFA Codes, MHCLG guidance, TM Strategy), manage cashflow effectively to minimise borrowing and optimise investment returns, are supported by clear governance, decision making and risk management, ensure investments balance security, liquidity and yield appropriately, provide reliable and accurate treasury reporting to Members and are supported by robust internal controls, segregation of duties and data integrity.</p>

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		<p>Treasury Management is central to financial sustainability, and an audit is requested to ensure that controls are robust in this area.</p>	

### Quarter 3

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
<p>Housing Needs, Planning and Delivery (Medium)</p>	<p><b>Facilitating and enabling growth</b></p> <p>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>There is a service objective to complete a housing needs assessment which will inform new Local Plan and housing delivery across the Borough and develop a Housing Delivery Strategy.</p> <p>An audit on these integral parts is requested.</p>	<p>Assurance that the Council has an effective, evidence-based and integrated approach to identifying housing need, translating that need into a sound and deliverable planning framework, and ensuring that the resulting housing supply is achievable through a coherent Housing Delivery Strategy.</p>

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
	<b>Promoting growth and prosperity to benefit West Norfolk</b>		
Disaster Recovery and Cyber Security – Follow Up (Medium)	None.	Follow up audit is requested.	Assurance on the implementation of recommendations made in the 2025/26 audits.
PMO - Capital Programme and Project Management (High)	<p style="text-align: center;"><b>Significant programmes / projects</b></p> <p>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.</p> <p style="text-align: center;"><b>Efficient and effective delivery of our services</b></p>	<p>The Corporate Project Management Office (PMO) is responsible for overseeing, monitoring and reporting on capital and operational projects. Assurance is requested on project management controls.</p>	<p>Assurance that the Corporate Project Management Office (PMO) has effective governance, processes, and controls in place to consistently oversee, monitor, and report on the Council's capital and operational projects; and that these arrangements support the successful delivery of the Transformation Programme across all workstreams, enabling projects to meet intended objectives, timelines, budgets, and benefits.</p> <p>Assurance on the readiness of the PMO to engage with external PMOs.</p>

## Quarter 4

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Community Infrastructure Levy (CIL) (Medium)	<b>Promote growth and prosperity to benefit West Norfolk</b>	There is a service objective to review the Community Infrastructure Levy (CIL) infrastructure requirements and assess the new governance arrangements.  Assurance on these arrangements is requested.	Assurance that the new CIL governance arrangements provide clear, accountable, and transparent decision-making processes for identifying, prioritising, and approving infrastructure projects funded through CIL.
Housing Allocations (Medium)	None	Housing Allocations Policy is being reviewed.  Assurance on policy and process is requested.	Assurance that the Housing Allocations process is fair, transparent, well-governed, and compliant with statutory requirements, and that the Council's policies and operational practices support accurate assessment of housing needs, lawful prioritisation, and efficient allocation of social housing.

## Grant Certifications

Grant Work	Rationale for the Work	Overarching Scope
Disabled Facilities Grants	Annual grant certification	Certification of expenditure in accordance with grant conditions

## Low Priority Audits

(Please note: - these audits are unlikely to be completed)

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Lily Service	<b>Support our communities</b>	<p>There is a service objective to realign Lily Service to meet the new NCC priority outcomes.</p> <p>Lily is a community wellbeing and signposting service aimed at reducing loneliness, improving social connection, and enabling adults to stay independent by helping them find the right local support, activities, and advice.</p>	Assurance that the Lily Service has been aligned with the new NCC priority outcomes.

## Follow Up

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Follow Up	N/A	Follow up is required.	Assurance on progress with implementing recommendations made.

## Areas being monitored

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
LGR	<p><b>LGR</b> Impact of Local Government Reorganisation, particularly capacity, ability to deliver “business as usual” services, staff recruitment and retention, resource availability and ability to take long-term decisions. The long-term impact of implementing Local Government Reorganisation which could result in reductions in service and service standards for residents and businesses.</p> <p><b>Efficient and effective delivery of our services</b></p>	Once the Minded To decision has been made, assurance needs will be considered.	
King’s Lynn Masterplan (Medium)	<p><b>Facilitating and enabling growth</b> 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</p>	There is a service objective to provide the strategic spatial vision for King’s Lynn for the next 20 years and support developer and investment confidence and be incorporated into a new Local Plan.	Assurance may be sought that the King’s Lynn Masterplan is governed effectively and supported by clear decision making, reflects robust evidence, sound analysis and alignment with corporate strategy, has been developed using appropriate consultation and stakeholder engagement, is supported by high quality feasibility work, provides a credible and deliverable investment prospectus, has realistic,

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
	<p>commercial development therefore impacting on communities and businesses.</p> <p><b>Promoting growth and prosperity to benefit West Norfolk</b></p>	<p>This objective interacts with two risks, facilitating and enabling growth (Red) and significant programmes / projects (Amber)</p>	<p>affordable and well sequenced proposals, is integrated with the Local Plan, Economic Strategy and infrastructure plans, and has appropriate risk management, resourcing and performance monitoring.</p>
<p>Kings Lynn Neighbourhood Board and Plan for Neighbourhoods Programme (Medium)</p>	<p><b>Promoting growth and prosperity to benefit West Norfolk</b></p>	<p>There is a service objective concerning the King's Lynn Neighbourhood Board, which will be arm's length from the Council, and the development of an investment and regeneration plan for the 'Plan for Neighbourhoods programme', and an action to establish revised governance and assurance processes for the new 10-year programme.</p> <p>Capital and revenue elements commence in April 2026.</p>	<p>Advice may be sought on the governance and monitoring arrangements established for the King's Lynn Neighbourhood Board to ensure that when there are setup, they are robust, transparent, and effective in supporting the development and delivery of the Investment and Regeneration Plan for the Plan for Neighbourhoods Programme, and enable sound decision-making, appropriate oversight of funding, and alignment with programme objectives, statutory requirements, and stakeholder expectations.</p>

EASTERN INTERNAL AUDIT SERVICES



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



**BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK**

**Internal Audit Charter and Mandate**

**Head of Internal Audit: Teresa Sharman**

## Contents

Purpose of Internal Audit.....	1
Purpose.....	1
Mandate of Internal Audit .....	3
Authority.....	3
Independence, Organizational Position, and Reporting Relationships.....	4
Changes to the Mandate and Charter.....	4
Audit Committee Oversight .....	5
Oversight.....	5
Chief Audit Executive Roles and responsibilities.....	7
Ethics and Professionalism.....	7
Objectivity .....	7
Managing the Internal Audit Function.....	8
Communication with the Audit Committee and Senior Management .....	10
Quality and Assurance Improvement Programme.....	11
Scope and type of Internal Audit Services .....	12
Approval.....	13
Approval of Charter and Mandate .....	13

# Purpose of Internal Audit

## Purpose

The purpose of the internal audit function is to strengthen the Council's ability to create, protect, and sustain value by providing the Governance, Risk and Audit Committee, and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances the Council's: -

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Council's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Chartered Institute of Internal Auditor's (CIIA) Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### **Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector**

- The Council's internal audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards in the UK Public Sector and Topical Requirements. The chief audit executive (Head of Internal Audit) will report annually to the Audit Committee.

The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement program.

## Mandate of Internal Audit

### Authority

The Council's internal audit function mandate is found in the Accounts and Audit Regulations 2015, which states: - Internal Audit

5. (1) 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.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit —

(a) make available such documents and records; and

(b) supply such information and explanations; as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.

The internal audit function's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorises the internal audit function to: -

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Council and other specialized services from within or outside the Council to complete internal audit services.

## Independence, Organizational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.)

The chief audit executive will report functionally to the Audit Committee and administratively (for example, day-to-day operations) to the Chief of Staff at South Norfolk Council. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

The chief audit executive will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The chief audit executive will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfil its mandate.

## Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, Audit Committee and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to: -

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant reorganisation within the organisation.
- Significant changes in the chief audit executive, Audit Committee, and/or senior management.
- Significant changes to the organisation’s strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## Audit Committee Oversight

### Oversight

To establish, maintain, and ensure that the Council's internal audit function has sufficient authority to fulfil its duties, the Audit Committee will: -

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the “essential conditions,” described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Advocate to senior management that sufficient budget and staffing resources are provided to the internal audit function to fulfil its mandate and accomplish its internal audit plan.
- Provide feedback to senior management on the appointment and removal of the chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards in the UK Public Sector.
- Review and provide feedback to the Director of Resources at South Norfolk Council on the chief audit executive's performance.

- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

# Chief Audit Executive Roles and responsibilities

## Ethics and Professionalism

The chief audit executive will ensure that internal auditors: -

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality, and the Seven Principles of Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, Leadership.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organisational behaviour that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

## Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including: -

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any the Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will: -

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

## Managing the Internal Audit Function

The chief audit executive has the responsibility to: -

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.

- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Develop and document an Internal Audit Strategy setting out the purpose, vision and objectives for internal audit, covering technology and staffing resources, and periodically review this.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

## Communication with the Audit Committee and Senior Management

### Reporting to Audit Committee

The chief audit executive will report periodically to the Audit Committee and senior management regarding: -

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the Council's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.

### Communication with key stakeholders

The chief audit executive is committed to fostering both formal and informal communication channels to build strong, collaborative relationships with senior management and the Audit Committee, and other stakeholders. This includes the use of structured mechanisms such as training workshops, briefings regular meetings, periodic reporting, and formal feedback processes to ensure transparency, alignment, and shared understanding of risks and priorities.

In addition, the chief audit executive will actively engage in informal dialogue with the Committee and senior management, and ad-hoc updates, to maintain open communication and support a culture of continuous improvement. These combined approaches ensure that stakeholder views are understood, expectations are managed, and Internal Audit remains a trusted, value-adding partner to the Council.

Our Stakeholder Engagement Plan will outline how this will be achieved in more detail.

### Quality and Assurance Improvement Programme

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

## Scope and type of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of Council's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether: -

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
- The actions of the Council's officers, directors, management, employees, and contractors or other relevant parties comply with the Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
- Monitoring and oversight of wholly owned companies (BKLWN's Internal Audit Plan).
- Operations and processes of West Norfolk Housing and Property Companies (WNHC's and WNPC's Internal Audit Plans)

## Approval

### Approval of Charter and Mandate

Approved by the Audit Committee at its meeting on 23 March 2026.