

Scrutiny and Audit Relationship Protocol

Borough Council of
King's Lynn &
West Norfolk



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1. Introduction

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

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

2. Purpose of the Protocol

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

In more specific terms, the protocol seeks to: -

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

3. Audit Function

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

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

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

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

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

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

4. Scrutiny Function

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

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

4.1 Scrutiny Panel's function include;

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

- 4.1.3 Post implementation reviews of major projects and significant policy changes and the introduction of new policies.
- 4.1.4 Undertake in-year monitoring of the Medium-Term Financial Plan, including identification of risks and challenge of key assumptions
- 4.1.5 Support setting of the medium-term financial strategy through critical examination of assumptions and ensuring alignment to corporate objectives and priorities.
- 4.1.6 Question members of the Cabinet and senior officers about their decisions and performance
- 4.1.7 Review the performance of other public bodies in the area
- 4.1.8 Make reports and/or recommendations to the full Council and/or the Cabinet in connection with the discharge of any of their functions.
- 4.1.9 Where a Scrutiny identifies a potential risk this will be communicated to the Council's Risk Management Team and recorded in the Scrutiny Action Log. The potential risk will be considered and a response provided to the relevant Scrutiny Panel. Cabinet will be kept informed of risks identified by Scrutiny Panels.

4.2 Scrutiny's function **does not** include;

- 4.2.1 Internal audit activity or revisit assurance work already undertaken by the Audit Committee.
- 4.2.2 Scrutiny does not assess the adequacy or effectiveness of internal control, governance, or risk management arrangements.
- 4.2.3 does not monitor audit recommendations, direct audit work, or review audit plans.
- 4.2.4 Does not approve the Annual Governance Statement, Statement of Accounts, or other statutory financial reporting.
- 4.2.5 Reviews and challenges budget does not hold responsibility for budget approval or financial management but reviews and challenges budget assumptions.
- 4.2.6 Investigating fraud, whistleblowing, or counter-fraud matters as these areas fall within the remit of the Audit Committee and the Council's governance framework.
- 4.2.7 Scrutiny must not influence or direct the work of internal or external auditors.

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

5. Difference in Scrutiny and Audit Functions

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

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

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

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

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

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

6. Principles for Effective Working

6.1 Mutual Respect and Independence

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

6.2 Transparency and Information Sharing

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

6.3 Avoiding Duplication

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

7. Operational Arrangements

7.1 Work Programme Alignment

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

7.2 Sharing of Reports

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

7.3 Referral Mechanisms

7.3.1 Scrutiny may refer to the Audit Committee when:

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

7.3.2 The Audit Committee may refer to Scrutiny when:

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

7.3.3

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

8 Joint Working Opportunities

Where appropriate, the two bodies may collaborate on:

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

9 Review

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

9.1 Monitoring

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

9.2 Accountability

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

Signed <DATE>

Chair of the Audit Committee.....

Chair of the Corporate Performance Panel.....

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

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