

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



Audit and Risk Committee

Agenda

Monday, 7th September, 2015
at 5.30 pm

in the

**Committee Suite
King's Court
Chapel Street
King's Lynn
PE30 1EX**



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King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200
Fax: 01553 691663

26th August 2015

Dear Member

Audit and Risk Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Monday, 7th September, 2015 at 5.30 pm** in the **Committee Suite, King's Court, Chapel Street, King's Lynn** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. Apologies for Absence

To receive any apologies for absence.

2. Declarations of Interest

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

3. Urgent Business Under Standing Order 7

To consider any business which, by reason of special circumstances, the Chairman proposes to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

4. **Chairman's Correspondence (if any)**

5. **Briefing/Training Session on Closing of Accounts, etc**

All Members of the Council are invited to attend for this item.

Attached is the hyperlink to the Councils Accounts which are published on the internet:

<http://www.west-norfolk.gov.uk/pdf/statement-of-accounts-2014-15-draft-v2.pdf>

6. **Cabinet Report: Accounts and ISO 2014/2015** (Pages 6 - 31)

The Committee are invited to consider the report and make any appropriate recommendations to Cabinet.

The Council's External Auditors, Ernst and Young will be present for this item.

7. **Cabinet Report: Annual Governance Statement** (Pages 32 - 34)

The Committee are invited to consider the report and make any appropriate recommendations to Cabinet.

8. **Cabinet Report: Review of the Effectiveness of the Audit and Risk Committee** (Pages 35 - 50)

To consider the report and make any appropriate recommendations to Cabinet.

9. **Cabinet Report: Business Continuity Management Policy Statement and Strategy** (Pages 51 - 54)

To consider the report and make any appropriate recommendations to Cabinet.

10. **Monitoring Officer Annual Report 2014/2015** (Pages 55 - 59)

The Committee will receive and note the Monitoring Officer Annual Report 2014/2015.

11. **Work Programme 2015/2016 and Forward Decisions List** (Pages 60 - 64)

To consider the Committee's Work Programme and note the Forward Decisions List.

To:

Audit and Risk Committee: B Anota, R Blunt, J Collop, I Devereux, I Gourlay, G Hipperson (Vice-Chairman), P Hodson, H Humphrey (Chairman), G Middleton, A Morrison, D Tyler and G Wareham

Portfolio Holders:

Councillor N Daubney

Management Team Representatives:

Debbie Gates, Executive Director Head of Central & Community Services

Lorraine Gore, Assistant Director

Geoff Hall, Executive Director, Development and Environment

Ray Harding, Chief Executive

Appropriate Officers: The following officers are invited to attend in respect of the Agenda item shown against their name

Toby Cowper, Group Accountant

Emma Duncan, Monitoring Officer and Legal Services Manager

Kate Littlewood, Audit Manager

Executive Directors

Press

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	(a) Be entirely within Cabinet's powers to decide	NO	
	Operational	(b) Need to be recommendations to Council	YES	
	None	(c) Be partly for recommendations to Council and partly within Cabinet's powers –	NO	
Lead Member: Cllr N Daubney E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Toby Cowper E-mail: toby.cowper@west-norfolk.gov.uk Direct Dial: 01553 616523		Other Officers consulted: Management Team. Service Managers.		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Cabinet Date: 9 September 2015

STATEMENT OF ACCOUNTS 2014/2015 AND REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260)

Summary

The report introduces the Statement of Accounts (SOA) 2014/2015 – essentially the Statement is the final accounts set out in a format which includes the Council's balance sheet and associated notes. The report also considers the report from the auditor on the audit for the accounts 2014/2015 – the International Auditing Standard (ISA 260).

Recommendation

It is recommended that Cabinet;

- i. approve the authority for any changes required to the Statement of Accounts is delegated to the Assistant Director (designated Section 151 officer), in consultation with the Leader of the Council, to authorise amendments and if necessary present an updated Statement to Council.
- ii. notes the comments of the auditor in the ISA260

It is recommended that Council;

- i. approve the Statement of Accounts for 2014/2015
- ii. notes the comments of the auditor in the ISA260

Reason for Decision

The Council must approve the Statement of Accounts for 2014/2015 before 30 September 2015 and consider the comments from the auditor on the ISA 260.

1 Introduction

- 1.1 The report introduces the Statement of Accounts for 2014/2015 – a statutory document that must be approved by the Council before 30 September 2015. The Statement has been subject to external audit by Ernst & Young (the Council’s auditors for 2014/2015) during the summer period.
- 1.2 Cabinet has already received a report on the outturn of the budget for 2014/2015 in June. This report presents to members the formal set of accounts that are required for audit purposes. The format of the Statement of Accounts is subject to prescription under the International Financial Reporting Standards (IFRS) which is in accordance with the relevant Audit and Account Regulations.
- 1.3 The report from the auditor on the audit for the accounts 2014/2015 – the International Auditing Standard (ISA 260) – provides members with an overview of the findings of the audit.

2 Statement of Accounts 2014/2015

- 2.1 The Council must formally approve the SOA for 2014/2015 by 30 September 2015. Ernst & Young, the external auditor has audited the document over the past few months and has indicated that they are likely to express an opinion that the accounts present fairly the position of the Council as at 31 March 2015 and its income and expenditure for the year then ended.
- 2.2 As the Council’s designated S151 Officer, the Assistant Director is responsible for the SOA and certifies her acceptance of the accounts. Associated with the final accounts, the Council is required to sign off an Annual Governance Statement (AGS) which has been signed by the Leader of the Council and the Chief Executive.
- 2.4 The Balance Sheet from page 13 of the Draft Statement of Accounts 2014/2015 document (as published 30 June 2015) is copied below. The Balance Sheet is a ‘snapshot’ of the Council’s financial position at the 31 March 2015. The auditor’s ISA 260 report is based on this draft set of the financial statements.

31 March 2014		31 March 2015	
£'000		£'000	
105,518	Property, Plant and Equipment	113,219	
17,954	Heritage Assets	17,954	
28,146	Investment Property	24,081	
609	Intangible Assets	706	
5,047	Long Term Investments	6,044	
1,537	Long Term Receivables	2,959	
158,811	Long Term Assets	164,963	
15,115	Short Term Investments	14,213	
117	Inventories	87	
7,500	Short Term Receivables	7,511	
11,560	Cash and Cash Equivalents	7,431	
386	Assets Held for Sale	654	
34,678	Current Assets	29,896	
(3,441)	Provisions	(3,121)	
(3,098)	Short Term Borrowing	(140)	
(9,043)	Short Term Payables	(13,290)	
(15,582)	Current Liabilities	(16,551)	
(1,866)	Grants Receipts in Advance	(1,144)	
(13,600)	Long Term Borrowing	(13,400)	
(312)	Other Long Term Liabilities	(244)	
(44,421)	Pension Liabilities	(54,673)	
(60,199)	Long Term Liabilities	(69,461)	
117,708	Net Assets	108,847	
(25,415)	Usable Reserves	(25,811)	
(92,293)	Unusable Reserves	(83,036)	
(117,708)	Total Reserves	(108,847)	

3 The International Auditing Standard (ISA 260).

- 3.1 At the time of writing this report the auditor is still finalising the audit of the Council's Statement of Accounts for 2014/2015 and will verbally provide an update to the attached ISA 260 report at the Audit and risk committee meeting on the 7 September 2015.

4 Financial Implications

- 4.1 There are no financial implications that follow the presentation of the Statement of Accounts.

5. Policy Implications

None.

6 Statutory Considerations

The Statement of Accounts must be approved by the Council by 30 September 2015.

7. Consultations

Leader of Council

8. Access to Information

Council agenda/minutes
Financial Plan 2013 - 2017

Borough Council of King's Lynn and West Norfolk

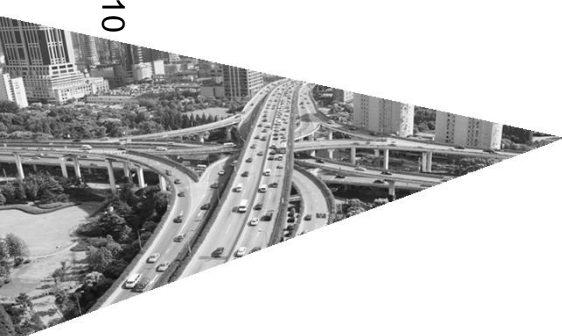
Audit and Risk Committee Summary

For the year ended 31 March 2015

Audit Results Report – ISA (UK and Ireland) 260

September 2015

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Section 1

Executive summary

Executive summary – key findings

Audit results and other key matters

The Audit Commission's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Audit and Risk Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2014/2015 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

- ▶ As of 18th August 2015 we expect to issue an unqualified opinion on the financial statements. Our audit results demonstrate, through the few matters we have to communicate, that the Council has prepared its financial statements adequately.

Value for money

- ▶ We expect to conclude that you have made appropriate arrangements to secure economy, efficiency and effectiveness in your use of resources.

↪ Whole of Government Accounts

- ▶ We will undertake our work on the Whole of Government Accounts return following the completion of our work on the Council's financial statements. It is likely that the Council will be below the materiality threshold set by the National Audit Office (NAO) and therefore the audit work required will be minimal. We will update Members of the Audit and Risk Committee in the unlikely circumstance that significant issues arise from this work.

Audit certificate

- ▶ The audit certificate is issued to demonstrate that the full requirements of the Audit Commission's Code of Audit Practice have been discharged for the relevant audit year. We expect to issue the audit certificate at the same time as the audit opinion.

Section 2

Extent and purpose of our work

Extent and purpose of our work

The Council's responsibilities

- ▶ The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.
- ▶ The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Purpose of our work

- ▶ Our audit was designed to:
 - ▶ Express an opinion on the 2014/2015 financial statements and the consistency of other information published with them
 - ▶ Report on an exception basis on the Annual Governance Statement
 - ▶ Consider and report any matters that prevent us being satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion)
 - ▶ Discharge the powers and duties set out in the Audit Commission Act 1998 and the Code of Audit Practice

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Council's accounting policies and key judgments.

As a component auditor, we also follow the NAO group instructions and report the results on completion of the WGA work through the Assurance Statement to the NAO and to the Council..

This report is intended solely for the information and use of the Council. It is not intended to be and should not be used by anyone other than the specified party.

Section 3

Addressing audit risks

Addressing audit risks – significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Audit risk identified within our audit plan	Audit procedures performed	Assurance gained and issues arising
<p>Significant audit risks (including fraud risks)</p> <p>1. <u>Assessment of the BCKL&WN group boundary</u> IFRS 10: Consolidated Financial Statements and IFRS 11: Joint Arrangements have been adopted into the Local Authority Accounting Code of Practice for the first time in 2014/15. These new accounting standards introduced into the Code a number of changes to the classification and accounting requirements for potential group entities. The Council are therefore required to revisit on an annual basis its assessment of the group boundary, especially in the light of these new standards.</p> <p>During recent years the Council has entered into a number of arrangements with other entities regarding service delivery, most significantly: Nar Ouse Regeneration Agreement (NORA); Alive Leisure Trust (ALT); and Alive Management Limited (AML)</p>	<p>We assessed where overall control lies with regard to the operation and delivery of services of potential group bodies.</p> <p>In relation to those bodies that are identified as being within the Council's group boundary, we:</p> <ul style="list-style-type: none"> ➤ assessed whether the bodies have been correctly classified and accounted for in accordance with IFRS 10 and 11; and ➤ Scoped the group audit requirements for those entities that are within the group boundary based on their significance to the group accounts. For those significant entities not audited by EY; liaised with the external auditors of those entities, issuing them with group audit instructions that detail the required audit procedures that we required them to undertake to provide us with assurance. ➤ for each body ensured that the accounting framework and accounting policies are aligned to those of the BCKL&WN group and ensuring that appropriate consolidation procedures have been applied. 	<p>The Council concluded that under IFRS 11 a joint venture relationship exists between the Council and NORA and that this relationship would be accounted for using the equity method within the Council's group accounts. The Council concluded that under IFRS 10 the relationship with AML is one of parent and subsidiary as the Council holds 100% shareholding and the subsidiary has been fully consolidated within the group accounts. The Council concluded that under IFRS 10 and 11 the relationship between them and ALT is outside of the group boundary. We reviewed management's assessment of its group boundary and concurred with the conclusions drawn.</p> <p>We have contacted and are awaiting assurances from the subsidiary auditor for AML, Ensors, with regard to the significant balances consolidated within the group statements.</p> <p>We have completed our procedures to confirm that the accounting framework and policies are aligned. No issues arise.</p>

Addressing audit risks – significant audit risks (cont'd)

- ▶ We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
<p>Significant audit risks (including fraud risks)</p> <p>2. <u>Management override</u> As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> ▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; ▶ Reviewed accounting estimates for evidence of management bias; and ▶ Evaluated the business rationale for any significant unusual transactions. 	<p>Our planned procedures in relation to this risk are complete. There are no issues to report to the Committee</p>

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Section 4

Financial statements audit – issues and findings

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Financial statements audit – issues and misstatements arising from the audit

Progress of our audit

- ▶ The following areas of our work programme remain to be completed. We will provide an update of progress at the Audit and Risk Committee meeting:
 - ▶ Verification that the agreed audit amendments have been made to the final version statement of accounts
 - ▶ Response to group instructions and conclusion on agreed procedures from AML's auditors
 - ▶ Receipt of a Letter of Representation
- ▶ Subject to the satisfactory resolution of the above items, we propose to issue an unqualified audit report on the financial statements.

Uncorrected misstatements

- 20
- ▶ We have identified one misstatement within the draft financial statements, which management has chosen not to adjust.
 - ▶ We ask the Audit Committee to consider approving management's rationale as to why these corrections have not been made and, if approved, include this in the Letter of Representation.
 - ▶ Appendix A to this report sets out the uncorrected misstatement.

Corrected misstatements

- ▶ Our audit identified a number of further misstatements which our team have highlighted to management for amendment. These have been corrected during the course of our work. None of these are considered significant enough to warrant reporting to Members.

Other matters

- ▶ As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Authority's financial reporting process including the following:
 - ▶ Qualitative aspects of your accounting practices; estimates and disclosures;
 - ▶ Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
 - ▶ Any significant difficulties encountered during the audit; and
 - ▶ Other audit matters of governance interest

We have one matter we wish to report:

The Council's bank reconciliation included a £1,041k reconciling item. Further details are provided on the following page.

In addition to this issue, the Council encountered a number of other accounting difficulties arising from the establishment of Alive Management Limited and Alive Leisure Trust. For example, the year end sundry debtors report included all three entities and this report had to be manually split out by the financial services team between the Council, AML and ALT. Whilst these difficulties were satisfactorily resolved, they resulted in some extra effort preparing the accounts and also some extra audit work.

Financial statements audit – other matters

Bank Reconciliation

During closedown procedures, financial services identified an error within the bank control account at year end, resulting in an overstatement of cash at bank in the draft financial statements of £1,041k. This error was identified through bank reconciliation procedures. To ensure that the control account was not amended, an adjustment was made to the debtor balance to offset the identified overstatement in the cash balance, resulting in the current asset total in the balance sheet being correct.

We undertook procedures to identify and understand this error which was identified through the bank reconciliation process, in order to conclude on the appropriateness of the correcting entries.

Our procedures identified that the error was made up of two transactions of the same value of £520k. The first was an incorrect adjustment which increased cash and reduced debtors to account for an amount owed to the Council by Alive Management Limited (this adjustment was incorrect as this amount had been settled by AML with the Council). When this first incorrect adjustment was identified, financial services processed a second transaction designed to reverse that error, however this second adjustment was incorrectly made, having the effect of actually doubling the original error.

We have agreed an adjustment with management to correct this error by reducing the cash balance and increasing the debtor balance in the financial statements by £1,041k.

Our audit procedures in regards to this risk are now complete. There are no further issues to report to the committee.

Financial statements audit – application of materiality

Our application of materiality

- ▶ When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	
22 Planning Materiality and Tolerable error	<p>We determined planning materiality to be £1.6 million (2014: £1.7 million), which is 2% of gross expenditure reported in the accounts of £78 million adjusted for parish precepts, levies, pooling of housing capital receipts and interest payable. We determined group planning materiality to be £1.7m using the same basis as above.</p> <p>We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p> <p>We set a tolerable error for the audit. Tolerable error is the application of planning materiality at the individual account or balance level. It is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds planning materiality. The level of tolerable error drives the extent of detailed audit testing required to support our opinion.</p> <p>We have set tolerable error at the lower level of the available range because there were a number of material and significant corrected errors in the prior year financial statements.</p>
Reporting Threshold	We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £84k (2014: £86k). We have set the group audit difference threshold as £85k.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits. Strategy applied : verification of all disclosures made.
- Related party transactions. Strategy applied : verification of all disclosures made.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

Financial statements audit – internal control, written representations and whole of government accounts

Internal control

- ▶ It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.
- ▶ We have tested the controls of the Council only to the extent necessary for us to complete our audit. We are not expressing an opinion on the overall effectiveness of internal control.
- ▶ We have reviewed the Annual Governance Statement and can confirm that:
 - ▶ It complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
 - ▶ It is consistent with other information that we are aware of from our audit of the financial statements.
- ▶ We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

Request for written representations

- ▶ We have requested a management representation letter to gain management's confirmation in relation to a number of matters. In addition to the standard representations, we have requested a specific representations in regards to heritage assets and their valuation.

Whole of Government Accounts

- ▶ Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.
- ▶ It is likely that the Council will be below the materiality threshold set by the National Audit Office (NAO) and therefore the audit work required will be minimal. We will update Members of the Audit and Risk Committee in the unlikely circumstance that significant issues arise from this work.

Section 5

Arrangements to secure economy, efficiency and effectiveness

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that Borough Council of King's Lynn and West Norfolk has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Council's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Criteria 1 – arrangements for securing financial resilience

- ▶ 'Whether the Authority has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future'
- ▶ Since issuing our Audit Plan on 24 March, we have identified a significant risk in relation to this criteria:
- ▶ In the Council's Financial Plan 2014/18, approved in February 2015, the Council identified a cumulative budget gap of £1 million over the next three years. The Financial Plan is based on a number of assumptions, including an estimate of the future levels of Government funding. The Financial Plan currently places reliance on £3.3 million of funding from New Homes Bonus in 2016/17 and 2017/18 and a planned use of reserves of £2.1million in 2017/18 to fund the base budget. Any reduction in Government funding in future years, together with an increased use of reserves represents a risk to achievement of the Council's future budgets.
- ▶ This risk reflects the size of the budget gap the Council is facing over the next few years, as a result of reduced funding and increasing demands for services. This is in line with the challenges being faced by many other council's across the country.
- ▶ We have now completed our work in this area and have concluded that the Council has adequate arrangements in place for securing financial resilience. We set out how we addressed the identified risk on the next page.

Criteria 2 – arrangements for securing economy, efficiency and effectiveness

- ▶ 'Whether the Authority is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity'
- ▶ We did not identify any significant risks in relation to this criteria
- ▶ We have no issues to report in relation to this criteria.
- ▶ Our work did not identify any other matters relating to aspects of your corporate performance and financial management framework which are not covered by the scope of the two specified criteria above.

Addressing audit risks – significant VFM risks

As detailed on page 15 we identified a significant risk after completion of planning procedures. Here, we set out how we have gained audit assurance over this risk.

A significant audit risk in the context of the value for money conclusion is the risk that the auditor may issue the wrong value for money conclusion. Where auditors identify a significant value for money conclusion risk they will need to undertake additional audit work to enable them to reach an appropriate conclusion.

VFM risk identified	Audit procedures performed	Assurance gained and issues arising
<p>Financial Resilience</p> <p>In the Council's Financial Plan 2014/18, approved in February 2015, the Council identified a cumulative budget gap of £1 million over the next three years. The Financial Plan is based on a number of assumptions, including an estimate of the future levels of Government funding. The Financial Plan currently places reliance on £3.3 million of funding from New Homes Bonus in 2016/17 and 2017/18 and a planned use of reserves of £2.1million in 2017/18 to fund the base budget. Any reduction in Government funding in future years, together with an increased use of reserves represents a risk to achievement of the Council's future budgets.</p>	<p>We considered the following factors in relation to the risk identified :</p> <ul style="list-style-type: none"> ▶ The Council's historic financial performance, including its ability to deliver challenging savings targets; ▶ The Council's current financial position and level of reserves; ▶ The Council's processes for setting its budget, and the nature of the budget assumptions; ▶ The competency of the Council's finance team; and ▶ The political stability of the Council. 	<p>The Council's track record of achieving savings and high level of general fund reserves, which are forecast to remain above the required minimum level over the period of the Financial Plan 2014/18, reduce the risk of the Council failing to effectively set and achieve its budgets over the medium term. The Council should continue to identify the savings necessary to reduce the 2017/18 budget gaps and progress the service delivery reviews to minimise the use of reserves over the longer term.</p>

Section 6

Independence and audit fees

Independence and audit fees

Independence

- ▶ We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 24 March 2015.
- ▶ We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Audit Commission's Code and Standing Guidance. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Audit and Risk Committee on 7th September 2015.

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- ▶ We confirm that we have met the reporting requirements to the Audit and Risk Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements were set out in our Audit Plan of 24 March 2015.

Audit fees

- ▶ The table below sets out the scale fee and our final proposed audit fees.

	Proposed final fee 2014/2015	Scale fee 2014/2015	Variation comments
	£	£	
Audit Fee: Code work	TBC	68,388	See below
Certification of claims and returns	TBC	31,280	See below

- ▶ Our actual fee is yet to be confirmed, but is likely to be different from the scale fee due to the introduction of the group in 2014/15 and the additional procedures that we have needed to undertake to gain assurance over the group financial statements. We will discuss and agree any proposed variation with management and this will also need to be approved by Public Sector Audit Appointments (PSAA).
- ▶ We are yet to complete our work on the certification of claims and returns but our actual fee is likely to be in line with our agreed fee.
- ▶ We confirm that we have not undertaken any non-audit work outside of the Audit Commission's Audit Code requirements.

Section 7

Appendices

Appendix A – uncorrected audit misstatements

- ▶ The following misstatement has been identified during the course of our audit and in our judgement warrants communicating to you as those charged with governance.
- ▶ This item has not been corrected by management.

Balance sheet and statement of comprehensive income and expenditure

Item of account	Nature	Type	Balance sheet	Comprehensive income and expenditure statement
	Description	F, P, J	Debit/(credit)	Debit/(credit)
1. Ongoing impact of the 2012/13 uncorrected misstatement relating to a 99 year lease which had been incorrectly treated as a full disposal on 2012/13.	The correct treatment under IFRS in 2012/13 would have been to retain the asset within long term assets and create a creditor for the sale proceeds, releasing them evenly over the 99 year lease. In 2014/15 this impacts:	F		
	Investment property		497	
	Short term lease liability		(5)	
	Long term lease liability		(431)	
	Reserves		(56)	
	Income from investment Property			(5)
Cumulative effect of uncorrected misstatement			5	(5)

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

EY | Assurance | Tax | Transactions | Advisory

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ED None

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REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Ray Harding E-mail: ray.harding@west-norfolk.gov.uk Direct Dial: 01553 616245		Other Officers consulted: Management Team, Monitoring Officer, Audit Manager, S151 Officer, Democratic Services Manager, ICT Manager, Extended Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equalities Impact Assessment NO	Risk Management Implications YES

Date of meeting: 9 September 2015

Annual Governance Statement for the year 2014/15

Summary

The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year.

This report seeks Cabinet approval of the Council's Annual Governance Statement covering the 2014/15 year – attached at Appendix A.

Recommendation

It is recommended that the Annual Governance Statement for the 2014/15 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.

Reason for Decision

To comply with the statutory requirements in the Accounts and Audit Regulations (England) Regulations 2011.

1.0 Background

1.1 The Council's Local Code of Corporate Governance sets out six core principles of good governance that focus on the systems and processes for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. These core principles include:

- Focusing on the purpose of the Council
- Roles and responsibilities of members and officers
- Standards of conduct and behaviour

- Decision making, scrutiny and risk management
- Developing capacity and capability of members and officers
- Engaging with local people and stakeholders

- 1.2 The extent to which the Council adheres to these principles is described in the Annual Governance Statement.
- 1.3 The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.
- 1.4 The Statement is signed by the Leader and Chief Executive of the Council and published alongside the Statement of Accounts.

2.0 Proposed Annual Governance Statement

- 2.1 The Statement has been produced in accordance with relevant professional guidance and good practice – the Chartered Institute of Public Finance and Accountancy (CIPFA) published an addendum to their “Delivering Good Governance in Local Government: Framework” in late 2012. The addendum sets out the key areas which should be reflected in the Annual Governance Statement and a comprehensive review has taken place to ensure that these areas are all included in the Council's AGS for 2014/15.
- 2.2 The production of the statement, and the consultation process, has involved input from Management Team, the Audit Manager, the S151 Officer, the Democratic Services Manager, the ICT Manager and the remainder of Extended Management Team. A copy has been provided to the external auditors, no comments have been received from them at the time of writing this report.
- 2.3 The Statement is required to include notification of any significant internal control issues identified and include an action plan to address them. Significant governance issues are covered in section 5 in the Statement, the Action Plan being worked on during the current 2015/16 year is on the final page.
- 2.4 The Statement also comments on actions progressed from the previous year (2013/14).

3.0 Policy Implications

None

4.0 Financial Implications

None

5.0 Personnel Implications

None

7.0 Statutory Considerations

7.1 The adoption of the Annual Governance Statement is required to comply with the Accounts and Audit Regulations.

8.0 Equality Impact Assessment (EIA)

None

9.0 Risk Management Implications

9.1 The Annual Governance Statement forms part of the Council's risk management process and provides reasonable assurance (as defined in section 7 of the AGS itself) that the Council is complying with the adopted Code of Corporate Governance.

9.2 Failure to maintain an effective approach to producing the AGS may lead to the Council being

- unable to meet its statutory duty
- unable to demonstrate it has effective corporate governance arrangements in place
- open to criticism from external audit.

10.0 Recommendations

10.1 From the review undertaken, the assessment and ongoing monitoring work completed and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

10.2 It is recommended that the Annual Governance Statement for 2014/15 as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.

11.0 Declarations of Interest / Dispensations Granted

None

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum
Annual Governance Statement 2012/13

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cldr.Nick.Daubney@west-norfolk.gov.uk Cllr Harry Humphrey E-mail: cldr.Harry.Humphrey@West-Norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kate Littlewood E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Assistant Director, Resources Democratic Services Manager Democratic Services Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 9th September 2015

REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE

<p>Summary This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2014-15 and confirms that the Committee is fulfilling its stated purpose which is 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process'.</p> <p>Recommendation To note the contents of the report.</p> <p>Reason for Decision To ensure the Council continues to meet its obligations under the Accounts and Audit Regulations 2011.</p>
--

1.0 BACKGROUND

1.1 The Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed during 2013-14 and approved by Council 26th September 2013.

- 1.2 Under the Accounts and Audit Regulations 2011, a council is required ‘to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions’.
- 1.3 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This is provided by the Audit and Risk Committee.
- 1.4 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit and Risk Committee is necessary.
- 1.5 The previous review indicated that the Committee was providing an effective service. However it was recommended that:
- The Committee should evaluate if the Internal Audit function complied with the Public Sector Internal Audit Standards. A report was presented to the Committee on 28th October 2014, including an action plan to improve compliance.
 - A review of the Risk Management Strategy was required. The Audit Manager had intended to complete this at the end of 2014, but was absent from work at that time. The review will now be carried out in the next few months and an updated strategy will be presented to the Committee in October 2015.

2.0 REVIEW DETAILS

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. In addition information has been compiled on the reports considered by the Committee. The resulting draft report was then considered by the Chair and Vice Chair of the Audit and Risk Committee.
- 2.2 The responses in the checklist are ticked as:
- ‘Y’ – Yes. The criteria have been met and no action is required.
 - ‘P’ – Partial. The criteria have only been met in part, some action may be required.
 - ‘N’ – No. The criteria have not been met and action may be required.

3.0 ITEMS CONSIDERED DURING 2014-15

- 3.1 Throughout 2014-15 the Audit and Risk Committee held 9 meetings and received a total of 22 reports on a number of issues, including:

Internal Audit

- Internal Audit Annual Report 2013-14.

- External Quality Assessment – Compliance with the Public Sector Internal Audit Standards
- Internal Audit Strategic Plan 2014-15, Progress Reports (2)

External Audit

- Statement of Accounts 2013-14 Report to those charged with Governance (ISA 260).
- Annual Audit Letter
- 2014-15 External Audit Plan
- Annual Certification of Claims and Returns 2013-14 report

Finance

- Revenue Outturn 2013-14.
- Capital Programme and Resources 2013-17
- Annual Treasury Report 2013-14.
- Mid-year review Treasury Report 2014-15.

Fraud

- Annual Report of the Investigations Unit
- Single Fraud Investigation Service update
- Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan.
- Revenues and Benefits Fraud Policy – Introduction of the Civil Penalties for Council Tax.

Corporate Governance and Risk

- Corporate Risk Monitoring Report – 6-monthly report (2 reports).
- Annual Governance Statement 2013-14.
- Review of the Effectiveness of the Audit and Risk Committee.
- Business Continuity update.
- Monitoring Officer Annual Report

A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as **Appendix 2**.

- 3.2 During 2014-15 a private briefing was also held for the Audit Manager to notify the Committee of the results of an investigation.
- 3.3 Training was provided to Committee members during the year on the Council's anti-fraud measures.

4.0 OUTCOMES

- 4.1 The outcome of this report will be to:
- Show evidence that the Audit and Risk Committee is effective in its role.
 - Satisfy the requirement of an annual review of the effectiveness of the Audit and Risk Committee.

5.0 CONCLUSIONS

- 5.1 During 2014-15 the Audit and Risk Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.

Policy Implications

There are no policy implications.

Financial Implications

There are no financial implications.

Personnel Implications

There are no personnel implications

Statutory Considerations

The Council can demonstrate that it is meeting the requirements under the Accounts and Audit Regulations 2011.

Equality Impact Assessment (EIA)

There are no equality implications.

Risk Management Implications

Having an effective Audit and Risk Committee is an important element in the Council's risk management framework.

Declarations of Interest / Dispensations Granted

None required.

Background Papers

None.

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1. ESTABLISHMENT, OPERATION AND DUTIES						
Role and Remit						
1.1	Does the audit committee have written Terms of Reference?	Y			The Terms of Reference were reviewed and approved by Council on 26 th September 2013.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			Reviewed every 3 years. The next review is due in May 2016.	
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can attend any other Panel or Committee meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 4 'Review of Effectiveness' includes a description of the Audit and Risk Committee's function.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			An annual review is carried out.	
Membership, Induction and Training						
1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			The Chair during 2014-15 had experience through personal work life. He had been a previous member of the Audit and Risk Committee and attended all training offered to the Committee.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services. The training is carried out at the start of the meeting to maximise participation.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?		P		An analysis of skills and experiences is not carried out. However, a training programme has been designed to cover all previously identified training needs and Members can request specific training if necessary.	A review of the Scrutiny functions is to take place during 2015-16 and will include consideration of the skills required.
1.14	Has each member declared his or her business interests?	Y			Records of interests are kept by Democratic Services. A standing item of each agenda requires Members to declare any relevant interests.	
1.15	Are members sufficiently independent of other key committees of the council?		P		Independent of the Cabinet, but all members of the Audit and Risk Committee also sit as the Resources and Performance Panel.	A review of the Scrutiny functions is to take place during 2015-16.
Meetings						
1.16	Does the committee meet regularly?	Y			9 meetings held in 2014-15. The programme for 2015-16 includes 6 planned meetings, but this may increase if the Committee needs to consider urgent reports in the intervening time.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings a year, but this can be increased if necessary.	
1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			A calendar of meetings is published for each year and dates are co-ordinated with Cabinet and specific key events.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			A record of attendance is kept by Democratic Services. Any persistent non-attendance is brought to the attention of the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			In 2014-15, the Deputy Chief Executive, who was the deputy s151 officer, attended all meetings.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers attend to present the reports and answer questions.	
1.23	Are decisions reached promptly?	Y			A decision is made at the end of each item on the agenda.	

2. INTERNAL CONTROL						
2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report for 2013-14 was presented on 22 nd July 2014. An external assessment of the Internal Audit was carried out in 2014 and the results presented to the Committee on 28 th October 2014.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			Presented to a Special Meeting on 8 th September 2014 as a separate report from the Statement of Accounts 2013-14.	
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?	Y			The Committee received a training session on the relevance and content of the AGS in August 2013.	
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Various reports are presented to the Committee throughout the year relating to internal audit, external audit, finance, fraud, corporate governance and risk.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y			The Chair and Vice Chair attend joint sift meetings with their counterparts on the Regeneration, Environment and Community Panel to review the Cabinet Forward Decisions list.	
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?		P		The report setting the Strategic Internal Audit Plan each year contains reference to the consideration of risk management.	Future reports on the Strategic Audit Plan will contain more explanation of the role of risk management.
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Update reports are presented twice a year in April/May and October/November.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly reports and the review of the Risk Management Strategy every 3 years.	The Risk Management Strategy will be reviewed during 2015-16.
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Terms of Reference Sec 4.1(a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Terms of Reference Sec 4.1(a) refers.	

3. FINANCIAL REPORTING & REGULATORY MATTERS

3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference Sec 3.1(a) and (c) refers. The timetable of meetings includes provision for Special Meetings in June and September each year to consider the Statement of Accounts.	
12 3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> ▪ The suitability of accounting policies and treatments ▪ Major judgements made ▪ Large write-offs ▪ Changes in accounting treatment ▪ The reasonableness of accounting estimates ▪ The narrative aspects of reporting? 	Y			The financial reports presented cover all the aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			Special Meeting in September each year.	
3.4	Does the audit committee review management's letter of representation?	Y			Management responses are included in the covering report to the external auditors report. The responses are also discussed at the meeting.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			The Chief Financial Officer attended the relevant meetings to present the report and answer questions relating to the preparation of accounts.	
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			'Members Bulletin' is circulated to all Members, which contains general updates and circulars when they occur. For issues specifically relevant to the Committee, a report is presented. In 2014-15, reports were presented on the transfer of benefit fraud investigation work to DWP.	
4. INTERNAL AUDIT						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			The Internal Audit Strategic Plan is usually presented in February each year for approval. Details of how the plan is compiled are included in the covering report. Due to the Audit Manager's absence the plan for 2015-16 was presented in June 2015.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to the Chair is included in the revised Terms of Reference, along with the potential for Internal Audit to meet with the Committee, without Senior Management being present, if necessary.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			The Committee receives reports on progress against the Strategic Plan, and the Audit Manager presents the Annual Report in June/ July.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the progress reports. Officers can be asked to attend the meetings to answer questions if progress is not satisfactory.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?	Y			The facility is available within the Terms of Reference if required. During 2014-15 the Audit manager did hold a briefing session with the Committee concerning some investigation work.	
4.6	Is there appropriate co-operation between the internal and external auditors?	Y			Meetings are held to discuss the content of the respective audit plans.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Included in the Strategic Audit Plan report and the quarterly progress reports.	
4.8	Has the audit committee evaluated whether its internal audit service complies with Public Sector Internal Audit Standards (PSIAS)?	Y			An external quality assessment was completed in 2014 by the Chartered Institute of Internal Auditors and the resulting report was presented to the Committee in October 2014.	
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Performance Indicators are set as part of the Strategic Plan and monitored in the progress reports.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			No requests for specific reports or training were made in 2014-15, although further information was provided in response to requests from Members.	

5. EXTERNAL AUDIT						
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Ernst Young attend meetings to present their reports and answer questions.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?			N	The facility is available within the Terms of Reference if required.	No action required.
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Report is presented at the Special Meeting in September.	
5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit inspection letter?	Y			Report to those charged with governance (ISA260) – September 2014 Annual Audit Letter – November 2014 Audit Plan 2014/15 – March 2015 Certification of Claims and Returns Annual Report 2013/14 – March 2015.	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2014-15**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
6. ADMINISTRATION						
Agenda Administration						
6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y			Wendy Vincent, Democratic Services.	
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			A timetable is set for the year detailing meeting dates and deadlines for reports to be submitted.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Included in the timetable for the year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	'Any Other Business' is not an agenda item. Only 'Urgent Business' is accepted under Standing Order 7.	
Papers						
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The timetable is designed to ensure the timing and frequency of routine reports is appropriate. Ad hoc reports are presented as they arise and also in line with Cabinet requirements if necessary.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
Actions Arising						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Minutes are produced within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

ISSUES DISCUSSED AT MEETINGS OF AUDIT & RISK COMMITTEE 2014 - 2015

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
27.05.14		
ARC7: Q4 Progress Report	The Chief Financial Officer presented the report which showed the Internal Audit activity for the quarter January to March 2014 against the Strategic Audit Plan 2013/2014.	RESOLVED: The Committee discussed and commented on the report on the Internal Audit Work Plan for January to March 2014.
ARC8: Corporate Risk Monitoring Report (October 2013 to March 2014)	In presenting the report, the Chief Executive reminded Members that the Committee received reports on a half-yearly basis on the position of the Corporate Risk Register, with the last one being presented in October 2013.	RESOLVED: The Committee discussed and commented on the report.
ARC9: Annual Report of Investigations Unit	The Fraud Investigations Manager presented the report that provided Members with information regarding the work undertaken during the 2013/2014 financial year and looked forward into 2014/2015.	RESOLVED: The Committee discussed and commented on the report.
09.06.14		
ARC17: Cabinet Report: Revenue Outturn 2013/2014	<p>The Principal Accountant presented the report and explained that the report covered two areas, namely:</p> <ul style="list-style-type: none"> • Revenue Outturn and proposed transfers to reserves for 2013/2014. • Principle of the calculation for the provision of bad debts and appeals on the Business Rates Retention Scheme. 	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet set out below:</p> <p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> (1) The revenue outturn and proposed transfers to reserves for 2013/2014. (2) The principle of the calculation for the provision of bad debts and appeals on the Business Rates Retention Scheme.
ARC18: Cabinet Report: Capital Programme and Resources 2013/2017	The Chief Financial Officer presented the report that provided details of the outturn of the 2013/2014 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2014/2017. The Capital Programme outturn for 2013/2014 totalled £9,477,218 against an approved budget of £12,262,100. The Committee was advised that it had been necessary to rephrase a total of £2,801,830 of scheme costs to future years. Capital receipts generated in the year totalled £1,298,268 of which £1,293,890 were useable.	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet as follows:</p> <ol style="list-style-type: none"> (1) That Cabinet note the outturn of the Capital Programme for 2013/2014 of £9,477, 218. (2) That the financial arrangements for the 2013/2014 Capital Programme be approved. (3) That Cabinet approve the revised 2014/2017 Capital Programme as detailed in the report.

24.06.14		
ARC27: Cabinet Report: Revenues and Benefits Fraud Policy – Introduction of Civil Penalties for Council Tax	The Audit Manager introduced the report which outlined that the Investigations Unit undertook work to prevent and detect benefit, Council Tax Support, Council Tax and Business Rates fraud. The report provided information regarding the proposed use of Civil Penalties for Council Tax only and the proposed use of Prosecution and a sanction of a Simple Caution, for Council Tax and Business Rates.	RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet. <ol style="list-style-type: none"> 1) The proposal for the use of Civil Penalties for Council Tax only. 2) The proposal for use of Prosecution and a sanction of a Simple Caution, for Council Tax and Business Rates. 3) To note the inclusion of the investigation of Council Tax and Business Rates fraud.
ARC27: Cabinet Report: Annual Treasury Report 2013/2014	The Principal Accountant presented the report and which informed the Panel that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (2009) and remained fully compliant with its requirements.	RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendations as set out in the report to Cabinet: <ol style="list-style-type: none"> 1) Cabinet is asked to approve the actual 2013/2014 prudential and treasury indicators set out in the report, and to note the report. 2) Cabinet is asked to approve the amendment to the strategy for 2014/2015.
22.07.14		
ARC37: Business Continuity – Update	The District Emergency Planning Officer presented a report which provided an update to the Committee on the current position of the Council's Business Continuity arrangement. The report outlined progress made since the last update in 2013 and outlined work that was to be undertaken over the coming months.	RESOLVED: The Committee noted the progress made, endorsed the approach being taken to the Council's Business Continuity arrangements and confirmed that annual updates on the subject were required.
ARC38: Q1 Progress Report	The Audit Manager presented the report which showed the Internal Audit activity for the quarter April to June 2014 against the Strategic Audit Plan 2014/15.	RESOLVED: Members discussed and commented on the report on the Internal Audit Workplan for April to June 2014.
ARC39: Internal Audit Annual Report and Opinion 2013/14	The Audit Manager presented the report which provided Members with an overview of the work undertaken by the Internal Audit Section during the 2013/14 financial year against the Strategic Audit Plan, and provided an assurance opinion to support the Annual Governance Statement.	RESOLVED: The Committee discussed and commented on the report.

APPENDIX 2

<p>ARC40: Cabinet Report: Review of the Effectiveness of the Audit and Risk Committee</p>	<p>The Audit Manager presented the report which provided the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2013/14 and confirmed that the Committee was fulfilling its stated purpose which was 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affected the Council's exposure to risk and weakened the control environment, and to oversee the financial reporting process.'</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <p>To note the contents of the report.</p>
<p>08.09.14</p>		
<p>ARC 49: Cabinet Report: Statement of Accounts 2013/2014 Report to those charged with Governance (ISA UK&I) 260)</p>	<p>The Principal Accountant presented a report which introduced the Statement of Accounts (SOA) 2013/2014. It was highlighted that the report also considered the report from the auditor for the accounts 2013/2014 – the International Auditing Standard (ISA 260).</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1) Approve the authority for any changes required to the Statement of Accounts is delegated to the Chief Financial Officer, in consultation with the Leader of the Council, to authorise amendments and if necessary present an updated Statement to Council. 2) Notes the comments of the Auditor in the ISA 260. <p>It is recommended that Council:</p> <ol style="list-style-type: none"> 1) Approve the Statement of Accounts for 2013/2014. 2) Notes the comments of the Auditor in the ISA 260.
<p>ARC 50: Cabinet Report: Annual Governance Statement 2013/2015</p>	<p>In presenting the report, the Deputy Chief Executive reminded the Committee that the preparation and publication of an Annual Governance Statement (AGS) was a public statement that described and evaluated the Council's overall governance arrangements during a particular financial year.</p> <p>The report sought Cabinet approval of the Council's Annual Governance Statement covering the 2013/14 year which was attached at Appendix A.</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation to Cabinet as follows:</p> <p>It is recommended that the Annual Governance Statement for the 2013/2014 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.</p>

<p>ARC 51: Monitoring Officer Annual Report 2013/2014</p>	<p>The Monitoring Officer presented the Annual Report for 2013/2014 and explained that the Annual Governance Statement also covered the areas within the Monitoring Officer's responsibility. Any necessary action points would be presented to the Audit and Risk Committee.</p> <p>The Committee was invited to ask questions.</p>	<p>RESOLVED: The Committee noted the report.</p>
<p>30.09.14 – PRIVATE BRIEFING</p>		
<p>28.10.14</p>		
<p>ARC60: Cabinet Report Mid Year Review Treasury Report 2014</p>	<p>In presenting the report, the Chief Financial Officer reminded the Committee that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury management (2011) and remained fully compliant with its requirements.</p>	<p>RESOLVED: That Cabinet be informed that the Audit and Risk Committee supports the recommendation as follows:</p> <ol style="list-style-type: none"> 1) Cabinet is asked to note the report and the treasury activity. 2) As part of the budget process and setting of the Treasury Management Strategy for 2015/2016 it is suggested that Cabinet ask officers to bring forward schemes that could generate higher levels of return.
<p>ARC61: External Quality Assessments – Compliance with the Public Sector Internal Audit Standards</p>	<p>The Audit Manager presented the report and explained that Internal Audit were required to undergo an external assessment at least every five years to ensure the service was complying with the Public Sector Internal Audit Standards. The required assessment had been completed and the resulting report was attached.</p>	<p>RESOLVED: The Committee discussed and commented on the report, and confirmed the Audit Manager's responses to the recommendations made.</p>
<p>25.11.14</p>		
<p>ARC71: Corporate Risk Register Monitoring Report</p>	<p>The Deputy Chief Executive explained that the report presented the changes to the Risk Register since the last monitoring report in April 2014 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.</p>	<p>RESOLVED: The Committee discussed and commented on the report.</p>
<p>ARC72: Annual Audit Letter</p>	<p>The Deputy Chief Executive presented the Annual Audit Letter and explained that its purpose was to communicate to Members of the Borough Council and external stakeholders, including members of the public, the key issues arising from the External Auditor's work, which should be brought to the attention of the Committee.</p>	<p>RESOLVED: The Committee discussed and commented on the Annual Audit Letter.</p>

24.03.15		
ARC 81: Certification of Claims and Returns Annual Report – 2013/2014	Mr R Murray, Ernst and Young presented the Certification of Claims and Returns Annual Report 2013/2014 which summarised the results of the External Auditor’s certification work and highlighted the significant issues.	RESOLVED: The Committee discussed and commented on the Annual Report.
ARC82: 2014/2015 Audit Plan	Mr Murray presented the 2014/2015 Audit Plan which set out how the External Auditor’s intended to carry out their responsibilities as Auditor. It was explained that the purpose of the report was to provide the Audit and Risk Committee with a basis to review the proposed audit approach and scope for the 2015 audit, in accordance with the requirements of the Audit Commission Act 1998, the code of Audit Practice, the Standing guidance, auditing standards and other professional requirements, but also to ensure that the audit was aligned with the Committee’s service expectations.	RESOLVED: The Committee discussed and approved the 2014/2015 Audit Plan and the External Audit fees.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards All	Mandatory	Be entirely within Cabinet's powers to decide NO		
		Need to be recommendations to Council YES		
		Is it a Key Decision NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Geoff Hall E-mail: Geoff.hall@west-norfolk.gov.uk geoff.hall@west-norfolk.gov.uk Direct Dial: 01553 616618		Other Officers consulted: Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equalities Impact Assessment YES If YES: Pre-screen only	Risk Management Implications YES

Date of meeting: 9 September 2015

BUSINESS CONTINUITY MANAGEMENT POLICY STATEMENT & STRATEGY

Summary

The Council is a Category 1 responder under the Civil Contingencies Act 2004, which places a duty on it to develop and maintain plans to ensure that if an incident occurred, the authority is able to continue to perform its critical activities and key services.

The Council's Policy Statement on Business Continuity Management was agreed by full Council in September 2013 and has been updated to reflect the changes to the Management structure with effect from May 2015.

Whilst updating the Policy Statement, the whole document, including details of the council's strategy and approach has been updated.

Recommendation

It is recommended that

1. Cabinet accept the new version of the Business Continuity Policy Statement and Strategy, attached, and that they recommend acceptance by full Council.
2. Delegated authority be granted to the Chief Executive, in consultation with the Leader, as Portfolio Holder for Business Continuity, to make further minor changes if deemed necessary.

Reason for Decision

To ensure that the Council continues to meet the requirements placed upon it by the Civil Contingencies Act 2004 and is well placed to react in the event of a disruption or emergency.

1.0 Background

- 1.1 The Civil Contingencies Act 2004 places a duty on Category 1 responders (as defined by the act and which includes all local authorities) to develop and maintain plans for the purpose of ensuring that, so far as is reasonably practicable, if an emergency occurs they are able to continue to perform their key services / critical activities. This means that, in the event of a disruption or emergency, the Council must have plans available to ensure that it can mobilise the functions it needs to:
- deal with any emergency (which is dealt with separately)
 - ensure that the impact of the emergency on the Council's day-to-day activities is kept to a minimum, and
 - ensure that, so far as possible, vital services for the community can be maintained at appropriate levels.
- 1.2 The Business Continuity Management Policy Statement and Strategy, attached, are the framework documents around which the Council's arrangements are based.
- 1.3 In March 2009, Council considered and endorsed a newly formulated Business Continuity Policy Statement and Strategy document, which had been devised as a result of a Business Impact Analysis undertaken in 2008, in conjunction with the Council's insurers.
- 1.4 In 2011, following an internal audit, which identified development areas, Management Team set up a group of officers from across the authority, and an Executive Director as the lead officer to review the Council's Policy and Strategy, as well as the wider Business Continuity Management arrangements.
- 1.5 Cabinet and Council adopted a revised and updated Policy Statement and Strategy document in 2011 and 2013.

2.0 Policy Statement and Strategy document update

- 2.1 No major changes are planned to the current Policy Statement and Strategy documents. The Executive Director – Environment & Planning has taken over the lead for Business Continuity from the retiring Deputy Chief Executive. The Executive Director – Environment & Planning chairs and leads the Business Continuity Corporate Officer Group (BC COG).

The following summarises the work that has been carried out by the BC COG and agreed by Management Team:

- The Business Continuity Policy Statement & Strategy have been reviewed and updated
- The BC COG has met regularly and follows an agreed work plan
- The Invocation Process and Incident Checklist has been revised and updated
- Desktop Business Impact Assessment has been completed which reviewed of all business activity to confirm those which are the most critical to the authority
- A review of Council Critical Activities has been completed which include:
 - CIC – response to customer contacts

- Corporate Communications – including website
- CCTV responsive functions control room
- Emergency Planning – response to incidents
- Homelessness
- ICT – to support other teams
- Incident Management Team – Executive Directors and support
- Personnel – for staff contact details
- Electoral Services – if during a critical time
- Env Health – Food Safety / Health & Safety– if during an incident
- Env Health – Environmental Quality – if during an incident
- All Critical Activities has completed Bronze Business Continuity plans
- King’s Court Threat Cards have been updated
- Out of hours Contact Card details revised and updated in view of new Leisure Trust / Local Authority Company arrangements
- The membership of the Critical Incident Team (CIT) was reviewed. Geoff Hall has taken on the lead following the retirement of David Thomason. Mathew Henry and Neil Gromit have been co-opted on to the CIT
- Annual “Metis” training events have taken place

4.0 Next Steps

4.1 The BC COG have a work plan in place for the remainder of the financial year. Work to be undertaken includes:

- Reviewing live incidents after the event and ensuring the lessons learnt are implemented in future planning
- Finalising the Business Continuity emergency web portal
- Planning for and running training exercise Metis 15
- Review and update Business Continuity Management Policy and Strategy ready for adoption
- Updating King’s Court Threat Cards
- Reviewing Bronze Level Business Continuity plans in place
- Commissioning and testing alternative ICT server site

5.0 Policy Implications

5.1 This is an update to a policy adopted by Council in September 2013.

6.0 Financial Implications

6.1 There are no financial implications associated with adoption of this policy.

6.2 In the event that the Council needs to bring Business Continuity plans into operation it will mean that an event has occurred which will threaten service provision in some way. It is highly likely that this will also bring about additional expenditure / lost income and the financial implications will need to be met from the Council’s general fund balance and / or its reserves.

7.0 Personnel Implications

7.1 There are no personnel implications associated with this document.

8.0 Statutory Consideration

8.1 Adoption of this updated Policy Statement and Strategy document will ensure that the Council continues to meet the requirements placed upon it by the Civil Contingencies Act 2004 and is well placed to react in the event of a disruption or emergency.

9.0 Risk Assessment

9.1 Business Continuity planning is a statutory requirement and is aimed at managing risk following the occurrence of an event / disruption. If these plans were not in place managing to maintain critical services during a disruption would be more difficult and could lead to failure which in turn would result in negative publicity and reputational issues.

10.0 Equality Impact Assessments

10.1 An Equalities Impact Assessment pre-screening form has been completed, this is attached for information. The Business Continuity Management Policy Statement does not affect people differently according to their equality communities and therefore a full assessment is not required.

11.0 Access to information

11.1 Insight Business Continuity page

Monitoring Officer Annual Report 2014/15

Section Contents

1 Introduction

2 The Monitoring Officer's Work April 2014 – March 2015

3 Key Messages

4 Looking Forward

5 Overall opinion on the adequacy and effectiveness of the Governance framework

Monitoring Officer Annual Report 2014/15

1. Introduction

- 1.1 The Monitoring Officer's Annual Report summarises the more important matters arising from the Monitoring Officer's work for the Borough Council from 1 April 2014 to 31 March 2015 and comments on other current issues.
- 1.2 Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the fundamental principles of openness, integrity and accountability together with the overarching concept of leadership. In this respect, the Borough Council of Kings Lynn and West Norfolk recognises the need for sound corporate governance arrangements and has put in place policies, systems and procedures designed to achieve this.
- 1.3 The Monitoring Officer is appointed under Section 5 of the Local Government and Housing Act 1989 and has a number of statutory functions in addition to those conferred under the Local Government Act 2000 and subsequent regulations governing local investigations into Member conduct. These are outlined in the next section of the report.

2. The Monitoring Officer's Work April 2014 – March 2015

The previous Monitoring Officer left the Council in May 2014, following her departure an interim Monitoring Officer was appointed to undertake the statutory functions as required under the Local Government and Housing Act 1989 and a handover meeting took place to identify any issues arising in relation to the corporate governance framework. The Monitoring Officer was confirmed by Council in June 2014 and has carried out the statutory functions since that time.

Duties	Work undertaken
(a) Report on contraventions or likely contraventions of any enactment or rule of law.	None
(b) Report any findings of maladministration causing injustice where the Ombudsman has carried out an investigation.	There have been no such reportable incidents.
(c) Establish and maintain the Register of Member's interests and gifts and hospitality.	Members have been issued with Guidance. The Register of Members' Interests is publicised on the Council's website. The Registers are available for inspection at the

	Council's offices.
(d) Maintain Register of Employees gifts and hospitality.	The Registers have been updated regularly and are open to inspection.
(e) Investigate misconduct in respect of District, Parish and Town Councillors under the Code of Conduct.	<p>During the year between April 2014 and March 2015 a total of 11 complaints have been received.</p> <p>No cases were referred for investigation.</p> <p>Members have regularly sought advice in order to comply with the Code of Conduct, particularly in relation to declaring interests under the Code.</p> <p>Members have been provided with guidance through the provision of briefing notes and training on the Code of Conduct has been undertaken by the Monitoring Officer.</p>
(f) Investigate breaches of the Council's own protocols.	There have been no alleged breaches of the Council's own protocols which have been investigated and dealt with accordingly.
(g) Provide advice to Town and Parish Councils on the interpretation of the Code of Conduct.	<p>The Monitoring Officer has provided advice to Parish Councils on the Standards and Conduct Arrangements during 2014/15 face to face, by letter, telephone and email.</p> <p>Offers of training have been made to parish councils although none taken up.</p>
(h) Promote and support high standards of conduct through support to the Standards Committee.	The Committee met as needed.
(i) Compensation for maladministration.	None. The Council has made goodwill payments to 4 complainants totalling £310.
(j) Maintenance and review of the Constitution.	The Constitution has been revised and updated during the year.
(k) Responsibility for complaints made under the Council's Whistleblowing and Anti-Fraud policies.	None
(l) Breaches of the Employee Code of Conduct.	There has been one formal allegation of breaches under the Employee Code of

<p>(m) Advice on vires issues, maladministration, financial impropriety, probity and policy framework.</p>	<p>Conduct.</p> <p>The Monitoring Officer has been consulted on new policy proposals and on matters, which have potentially significant legal implications.</p> <p>The Monitoring Officer has attended Council and other Committees as necessary.</p> <p>Officers consult the Monitoring Officer regularly on vires and probity issues.</p> <p>The Monitoring Officer regularly advises on the legality and/or appropriateness of administrative procedures, in conjunction with the Democratic Services Team.</p> <p>The Monitoring Officer reviewed the Code of Corporate Governance this year, which was approved by full council in March and also reviewed a number of other policies and protocols.</p>
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3. Key Messages

3.1 The key messages to note from the year are:

- (i) The systems of internal control administered by the Monitoring Officer including compliance with the Council's Constitution were adequate and effective during the period for the purposes of the latest Regulations. However, it is important that Members and Officers are regularly reminded of their obligations and updated on any changes to ensure there is no complacency.
- (ii) The Constitution continues to be regularly updated.

4. Looking Forward

4.1 The key issues for 2014/15 are as follows;

- Training for new members on the Code of Conduct following the elections in May.
- Update of the Constitution including planning protocol.
- Revision of the scrutiny function.
- Compilation of the Registers of Interest following the election.

4.2 Code of Conduct

- 4.2.2 To undertake new Member training.

4.3 Corporate Governance Framework

- 4.3.1 The Council will keep the Code of Corporate Governance under review, taking into account any revisions to associated guidance and any recommendations arising from audit reports.
- 4.3.2 The Monitoring Officer will continue to provide an assurance in respect of the Code and the Annual Governance Statement by way of this Annual Report.

4.4 Constitution and Regulations

- 4.4.1 The Constitution will be continue to be kept under review by the Monitoring Officer working closely with the Democratic Services Team.
- 4.4.2 It will be appropriate to continue to remind Members and staff of the importance of compliance with the Council's regulations, as set out in the Constitution and other policy framework documents, and the Monitoring Officer and other staff will give advice accordingly.

5. Overall opinion on the adequacy and effectiveness of the Governance framework

That the systems of internal control administered by the Monitoring Officer including the Code of Conduct and the Council's Constitution, were adequate and effective during the year between April 2014 and March 2015 for the purposes of the latest regulations (subject to the areas outlined above).

Emma Duncan
Monitoring Officer
14th April 2015

AUDIT AND RISK COMMITTEE WORK PROGRAMME 2015/2016

8 June 2015

- Final Accounts and Statement of Accounts for year ended 31 March 2015: Revenue Outturn, Capital Programme and Resources.

23 June 2015

- Internal Audit end of Year 2014/2015 Progress Report.
- End of Year Report of Benefit Investigations Unit and Internal Audit work on the National Fraud Initiative.
- Corporate Risk Monitoring Report April 2015
- Strategic Internal Audit Plan 2015/2018

21 July 2015

5.30 pm start – First Item – Presentation on the Annual Governance Statement – all Members invited to attend

- Audit Manager's Annual Report
- Effectiveness Reviews
- Business Continuity Annual Update – D Robson

Cabinet Report

- Annual Treasury Report 2014/2015.

7 September 2015

5.30 pm Start – First Item – Briefing/Training on Closing of Accounts, etc – all Members invited to attend

- Statement of Accounts 2014/20145
- Annual Governance Statement.
- Monitoring Officer Report 2014/2015 – E Duncan

Cabinet Reports

- Accounts 2014/2015
- Annual Governance Statement
- Review of the Effectiveness of the Audit and Risk Committee
- Business Continuity Management Policy Statement and Strategy

27 October 2015

- Internal Audit Half Year Progress Report
- Fraud Report
- Risk Register

24 November 2015

5.30 pm Start – First Item – Risk Assessment Training – all Members invited to attend

- Annual Audit Letter – External Audit
- Mid Year Treasury Report

23 February 2016

- Treasury Management (Cabinet Report)
- Annual Certification of Claims and Returns
- External Audit Plan

FORWARD DECISIONS LIST

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
9 September 2015	Accounts 2014-15		Key	Council	Leader Asst Exec Dir – L Gore		Public
	Annual Governance Statement		Non	Council	Leader Exec Director – D Gates		Public
	Review of the Effectiveness of the Audit Committee		Non	Cabinet	Leader Asst Exec Dir – L Gore		Public
	Brancaster Parish Neighbourhood Plan		Non	Council	Development Exec Dir – G Hall		Public
	Planning Protocol Update		Non	Council	Leader Chief Executive		Public
	Business Continuity Management Policy Statement and Strategy		Non	Council	Leader Exec Director - D Gates		Public
	Site Allocations Plan – Proposed Modifications		Key	Council	Development Exec Director – G Hall		Public
23	Non Domestic Rates: Extension of Transitional Relief		Non	Council	Leader Asst Exec Dir – L Gore		Public
	Council Tax Support Scheme 2016/17		Non	Council	Leader Asst Exec Dir – L Gore		Public
	Position of Honorary Recorder for the Borough		Non	Council	Leader Chief Executive		Public
	Nar Ouse Business Park Enterprise Zone		Key	Cabinet	Regeneration Chief Executive		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
6 October 2015	Town Hall Exhibition Tender		Key	Cabinet	Culture Heritage & Health Exec Dir – C Bamfield		Exempt - Private - Contains exempt Information under para 3 – information relating to the business affairs of

							any person (including the authority)
	Residential Caravan Site Licensing	Report following consultation process	Non	Council	Housing and Community Chief Executive		Public
	Community Infrastructure Levy		Key	Council	Community Exec Director – G Hall		Public
	Electoral Review		Key	Council	Leader Chief Executive		Public
63	River Front Development Delivery Plan	Appointment of Consultants to prepare the Plan	Non	Cabinet	Regeneration Chief Executive		Exempt - Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	King's Lynn Town Centre Management Plan		Non	Cabinet	ICT Leisure and Public Space Chief Executive		Public
	Freebridge Community Housing – Council Representation		Non	Cabinet	Housing & Community Chief Executive		Public
	Freebridge/Council Liaison Board		Non	Cabinet	Housing and Community Chief Executive		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
3 November 2015	Affordable Housing Company		Non	Cabinet	Housing & Community		Public
	Corporate Business Plan 2015-19		Key	Council	Chief Executive		Public
	Hackney Carriage & Private Hire Licensing Conditions & Procedures Review		Non	Council	Community Exec Director – G Hall		Public

	The Statement of Community Involvement		Non	Cabinet	Development Exec Director G Hall		Public
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