



# **Audit Committee**

## **Agenda**

**Monday, 21st November, 2022**  
**at 4.00 pm**

in the

**Council Chamber**  
**Town Hall**  
**Saturday Market Place**  
**King's Lynn**

Available to view on:

<https://www.youtube.com/user/WestNorfolkBC>



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

10 November 2022

Dear Member

**Audit Committee**

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Monday, 21st November, 2022 at 4.00 pm** in the **Remote Meeting on Zoom and available for the public to view on WestNorfolkBC on You Tube - Zoom and You Tube** to discuss the business shown below.

Yours sincerely

Chief Executive

**AGENDA**

**1. Apologies**

**2. Minutes (Pages 5 - 15)**

To approve the minutes from the Audit Committee held on 26 September 2022.

**3. 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 any item or simply observing the meeting from the public seating area.

**4. Urgent Business Under Standing Order 7**

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

**5. Members Present Pursuant to Standing Order 34**

Members wishing to speak pursuant to Standing Order 34 should inform the Chair of their intention to do so and on what items they wish to be heard before a decision on that item is taken.

**6. Chair's Correspondence (if any)**

**7. External Audit Plan for 2021/2022 (Pages 16 - 63)**

The Committee are invited to submit any specific questions to the Assistant Director, Resources by midday on 17 November 2022.

**8. Draft Annual Governance Statement 2021/2022 (Pages 64 - 105)**

**9. Rationalised Corporate Risk Register (Pages 106 - 121)**

**10. Internal Audit Half Year Progress Report (Pages 122 - 145)**

**11. BCKLWN Internal Audit Follow up of Recommendations Report  
(Pages 146 - 162)**

**12. Fraud and Corruption Half Year Progress Report (Pages 163 - 171)**

**13. Budget Monitoring Update - Periods 4 and 5 (Pages 172 - 220)**

**14. Cabinet Forward Decisions List (Pages 221 - 226)**

**15. Work Programme 2022/2023 (Pages 227 - 233)**

**16. Date of Next Meeting**

To note that the date of the next meeting of the Audit Committee will take place on 20 February 2022 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn.

To:

**Audit Committee:** Councillors Mrs J Collingham, I Devereux (Chair), P Gidney, J Lowe, C Manning (Vice-Chair), C Morley, J Rust, A Ryves and M Storey

**Portfolio Holders:**

Items 7,8, 10, 11, 12, 13 - Portfolio Holder, Finance  
Items 8, 9 - Leader

**Officers:**

Alexa Baker - Monitoring Officer  
Michelle Drewery - Assistant Director, Resources/Management Team Representative  
Ged Greaves - Corporate Performance Manager  
Faye Haywood - Internal Audit Manager  
Jamie Hay - Senior Internal Auditor  
Carl Holland - Financial Services Manager



**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK****AUDIT COMMITTEE**

**Minutes from the Meeting of the Audit Committee held on Monday, 26th September, 2022 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

**PRESENT:** Councillors I Devereux (Chair), P Gidney, J Lowe, C Manning, C Morley, A Ryves (remotely) and M Storey.

**Officers:**

Michelle Drewery, Assistant Director - Resources  
Faye Haywood, Internal Audit Manager  
Carl Holland, Financial Services Manager  
Ged Greaves, Corporate Performance Manager  
Dave Robson, Environmental Health Manager

**By Invitation:**

Representatives from Ernst and Young

**A31      APOLOGIES**

Apologies for absence were received from Councillors J Collingham and J Rust.

**A32      MINUTES**

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The minutes of the meeting held on 7 September 2022 were agreed as a correct record and signed by the Chair.

**A33      DECLARATIONS OF INTEREST**

Councillor Devereux, Chair informed those present that a friend/neighbour who held a senior position at Ernst Young.

**A34      URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

**A35      MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

A36 **CHAIR'S CORRESPONDENCE**

The Chair made reference to an email from Councillor Ryves which had been circulated to all Members of the Audit Committee.

A37 **DRAFT STATEMENT OF ACCOUNTS FOR 2020/2021**

[Click here to view a recording of this item on You Tube](#)

The Assistant Director, Resources referred to the training session on 20 September 2022 which all Councillors were invited to attend to provide an overview on the draft Statement of Accounts for 2020/2021 and the evolving picture going forward subject to any amendments to be presented to the committee in February/March 2023 for final approval and sign off.

The Assistant Director, Resources and Financial Services Manager presented the draft Statement of Accounts for 2020/2021, highlighted the key points and responded to observations, comments and questions in relation to:

- Current information provided on the 2019 deprivation figures and potential impact on the Council Tax support, etc.
- Actuarial changes on the pension scheme payments because of inflation.
- Valuations of the pension fund and liability
- Reduced Capital Programme and reasons for £6.2m slippage/outturn.
- Movements and level of reserves - usable and unusable reserves.
- Triannual evaluation of the pension fund and annual updates from actuaries.
- Pension reserves – statutory requirement and Borough Council's responsibility.
- Government Grants and contributions/business grants/other potential Government grants on an ongoing basis and payback.
- Clarification on technical accounting movements.
- Expenditure/charges relating to the Collection Fund/redistribution of billing authority to other local authorities. The Financial Services Manager undertook to ascertain the cost of passporting onto other precepting bodies in the Council's county area to allow them to operate their business.
- Precepts, demands and shares.

In response to questions from Councillor Ryves specifically in relation to the movements of the Council's reserves/actuarial deficit of the pension fund, the Assistant Director, Resources undertook to schedule a discussion with Councillor Ryves to explain the mechanics/accounts in more detail.

Following questions from Councillor Morley on the net gains and losses on fair value adjustments on investments properties, the Chair advised that this particular issue was considered in depth in the training session. The Financial Services Manager agreed to discuss with Councillor Morley outside the meeting.

The Assistant Director, Resources explained that following a comment received from Councillor Ryves wishing to view a revised draft Statement of Accounts, that the draft accounts would be updated and a second draft forwarded to the External Auditors when ready to commence the audit. A second draft Statement of Accounts 2020/21 would then be circulated to the Audit Committee together with a note setting out the changes.

M Hodgson, Ernst Young responded to questions from the Chair in relation to a consistent interpretation being adopted by both the Borough Council and the external auditors with regard to technical accounting movements.

The Chair thanked M Hodgson, Ernst Young, the Assistant Director, Resources and the Financial Services Manager for presenting the complex information and responding to questions.

**RESOLVED:** The Committee noted the draft Statement of Accounts for 2020/2021, subject to any amendments to be presented to the Committee in February/March 2023 for final approval and sign off.

A38

### **DRAFT ANNUAL GOVERNANCE STATEMENT 2020/2021**

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The Corporate Performance Manager presented the Council's draft Annual Governance Statement (AGS) 2021 to the Committee for approval.

It was explained that the preparation and publication of the AGS was a statutory requirement. The document was a public statement that described and evaluated the Council's overall governance arrangements, in particular how it had complied with its Code of Corporate Governance during a particular financial year. The draft AGS was attached at Appendix A to the report.

The Corporate Performance Manager drew the Committee's attention to the following points:

- Financial Year 2020/21 was heavily influenced by the response to Covid-19, reference was made in section 14 AGS to highlight the response of the Borough Council and the impact on services and general functioning set out on page 178.

- History – document for a financial year which had passed. Appendix B of the AGS included a proposed Action Plan for the 2021/22 financial year set out on page 185. Clearly time had passed and the Council was in a different financial year. A progress column had been added to set out steps made over time.
- Length of document – The Corporate Performance Manager highlighted that he had listened to comments made by the Audit Committee and gave assurance that the version for 2021/2022 financial year was approximately 50% shorter than the draft document for 2020/2021.

Councillor Morley asked why the outcomes of actions in the Action Plan for 2020/21 had not been included in the report. In response, the Corporate Performance Manager explained that the format in previous years had been used but added that he could update the document if there was sufficient time prior to signatures being added and if the Committee so wished.

In response to a comment from the Chair on the completion of actions taken place within the normal timescale for the production of the statement or were there things that had occurred afterwards, the Corporate Performance Manager explained that there was a combination of both, some may have been dealt with and others could have been pushed through to subsequent years.

Following further comments from Councillor Morley on actions yet to be addressed, for example, item 20 in Appendix A – Service Level Agreements, should have included the two other 100% owned subsidiaries had yet to be agreed. The Corporate Performance Manager explained that those points would come forward with the recommendations following the review of the governance of companies report which would be presented to the Corporate Performance Panel and Cabinet in the forthcoming weeks/months.

The Assistant Director, Resources confirmed the case set out above and that she had been involved in the Service Level Agreements and that the action was being undertaken at the current time.

Councillor Morley added that if there was sufficient time could a date i.e. 31 March 2021 be included to set out the state of play as at that date and commented that it would be good to see on a performance basis how many were delivered. The Chair commented that the Corporate Performance Manager had indicated that it was possible to include the results if the Committee so wished.

Councillor Morley commented that the document highlighted a huge raft of policies that the Council had and referred to the roles and responsibilities of the Audit Committee which would be updated was behind time and asked if anyone had gone through the documents to see whether or not they were current/rolled over from an audit

perspective. The Chair asked the Corporate Performance Manager if the statements were valid the time the AGS when it should have been prepared within the required timeframe. The Corporate Performance Manager explained that the method of drafting the AGS was carried out in consultation with the Council's Management Team as part of the moderation of drafting the document and therefore went through the relevant managers so effectively managers were asked to confirm that the policies, procedures etc stood and was fit for purpose at the point of preparing the document. Reference was made to the Internal Audit Manager's report as to whether a formal self-assurance sign off should be implemented and added that this was something the Management Team were considering and there was need to revisit this piece of work on the back of the Internal Audit Manager's report.

The Internal Audit Manager explained that the Internal Audit had recently undertaken a review of policies across the Council and recommended improvements. Tier 1 and 2 policies overall grading was reasonable so there were no significant concerns on how up to date the policies were but reflection that they were regularly reviewed on a timetabled basis. The Internal Audit Manager added the Audit Committee would receive assurances over those policies and through each audit undertaken and explained that one of key controls - is there a policy and procedure and was it up to date, latest information so the Committee could also receive assurance through this way.

The Chair commented that many of the policies were dated in the text and that there was a qualitative statement of the relevant policies and that there were other actions that could be taken to enhance the definition what applied when and how which was a learning point the Council needed to consider going forward and asked if it was an impediment to agreeing the Draft Annual Governance Statement 2020/21.

The Chair drew attention to recommendation a) which was agreed by the Committee.

The Chair then drew the Committee's attention to recommendation b) and asked if there was any further information required. The Chair sought the view of the External Auditor on the AGS 2020/21 and the fact that the Council was looking at it 12 months later did he believe this was an impediment that needed to be addressed. In response, M Hodgson, Ernst Young explained that AGS reflected the framework and risks in place for the financial year to which it related and that there was also a requirement to update the document if anything significant occurred between 31 March of that financial year and the date it was finally authorised.

The Assistant Director, Resources clarified that the sign off of the AGS 2020/21 took place at the same time that the Statement of Accounts 2020/2021 was signed off and that there was discretion to amend the document up to the date it was signed off.

The Chair commented that there was further research to be undertaken to consider the potential risks or otherwise and asked the Corporate Performance Manager to work with the Assistant Director, Resources and the Financial Services Manager to ensure that there was a robust case to underwrite the governance arrangements in place.

Councillor Morley commented on a key issue highlighted by the Corporate Performance Manager dependence on the inputs from Executive Directors and Assistant Directors and Service Managers and a note from either the Chief Executive or Assistant Director, Resources should say to those managers how important it was that correct data was delivered to the centre so that the Corporate Performance Manager did not have to collate a large amount of documents and recommended that the Audit Committee highlighted the issue.

In response, the Chair added that personally he would welcome the suggestion set out above by Councillor Morley which required addressing going forward.

The Chair thanked the Corporate Performance Manager for the report.

**RESOLVED:** a) The Committee confirmed that the Annual Governance Statement 2021 (as attached) properly reflected the risk environment and that actions required to improve it were in hand.

b) The Corporate Performance Manager to work with the Assistant Director, Resources and the Financial Services Manager to ensure that there was a robust case to underwrite the governance arrangements in place prior to signing off the AGS 2020/21 at a future meeting.

A39

### **BUSINESS CONTINUITY ANNUAL UPDATE**

[Click here to view a recording of this item on You Tube](#)

The Environmental Health Manager presented the report which outlined the current position of the Council's business continuity arrangements, summarised progress made since the last update on 12 October 2021 and described work that was planned to be undertaken over the coming months.

The Committee was advised that the Council had a responsibility as a Category 1 responder under the Civil Contingencies Act 2004 to develop and maintain plans to ensure that, as far as is reasonably practicable, key services can continue to be performed in the event of a disruption or emergency.

With regard to the discussion on Business Continuity Portal Webpage and information on the back of Councillors and Officers ID card there

being confusion a Task and Finish Group had been set up to look at how this was communicated and what was expected. It was noted that if all IT systems were lost the portal was standalone so a message could be published and also followed the recommendations identified from the audit previously undertaken.

Councillor Storey commented that he would welcome an annual update report to the Committee and added that it was a detailed report.

In response to questions from Councillor Morley regarding the potential to roll out CCTV within the Borough, the Environmental Health Manager advised Councillor Morley to contact M Chisholm, Assistant Director Commercial Services or to send a question through Members Enquiries.

In response to further questions from Councillor Morley on the Business Continuity Portal Web page, the Environmental Services Manager advised that regular updates were available during the year and the role of the Business Continuity Portal would be looked at by the Task and Finish Group who would recommend a number of options.

The Chair thanked the Environmental Health Manager for the clear and concise annual report.

**RESOLVED:** The Committee:

- 1) Reviewed progress made and endorsed the approach being taken to the Council's business continuity arrangements.
- 2) Confirmed that annual updates be received.

A40

## **AUDIT COMMITTEE TERMS OF REFERENCE**

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In presenting the report, the Internal Audit Manager explained that the Audit Committee was established in 2006, with Terms of Reference drawn up in line with the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The Terms of Reference should be reviewed every three years by the Committee and any updates presented to Cabinet for approval and Council for approval and incorporation into the constitution.

The key issues were outlined as set out in the report and the following amendments were suggested:

- A commitment to reviewing the Terms of Reference every three years by the Committee and if changes were agreed recommending those were approved by Council.

- The Committee's responsibility for receiving assurances on the Council's Local Authority Trading Companies.
- The term Chairman revised to Chairperson.

The Chair advised that some members of the Committee had discussed related topics prior to the meeting as part of a self-assessment process for CIPFA.

Councillors Lowe and Storey commented that they supported the three recommendations set out in the report.

The Chair advised that he was aware of the changes to the CIPFA requirements and potential new guidelines in 2023 and added that as Chair he was content to adopt the changes to the Terms of Reference but highlighted that a more detailed review may be required of things that had been agreed by the Audit Committee over the recent years to bring it up to date from 2019 to make sure that the Committee had not made commitments in the past which also needed to be embodied in the Terms of Reference plus the fact that there would be a new Administration in May 2023 and that there would also need to be a review.

Comments were made by the Committee on the importance of presence of the Portfolio Holder at meetings to listen to comments and add knowledge/experience but not to participate in the decision making process.

**RESOLVED:** The Audit Committee approved the TOR and recommend to Cabinet and Council that the revised Terms of Reference for the Audit Committee be adopted subject to the consideration of Internal Audit undertaking a review being undertaken following the changes in CIPFA guidance and a new Administration in May 2023.

A41

## **INTERNAL AUDIT ASSESSMENT RISK MATURITY**

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The Internal Audit Manager explained that the purpose of the report was to provide the Audit Committee with the Internal Audit assessment that was undertaken of the Council's risk maturity and outlined the recommendations that had been proposed to Management Team for consideration.

The key issues set out in the report were noted by the Committee.

The Committee's attention was drawn to the recommendations set out in the report.



Councillor Morley asked if the Borough Council's approach could have more than one risk appetite and gave an example of the Town Deal and Cabinet meeting earlier that date, taking a higher risk, flexibility in the policy, etc In response, the Internal Audit Manager explained that the scoring mechanism and alignment to the appetite enabled the Council to take the risk if willing to go over and be transparent, ordinarily the Council would not be prepared to accept that much risk but because of the circumstance and highlighting through transparent reporting that this is the case and added that risks could be tailored to individual projects/categories.

The Chair commented that the points made by Councillor Morley had been noted by the Internal Audit Manager.

The Chair thanked the Internal Audit Manager for the report.

**RESOLVED:** The Audit Committee received the report on Risk Maturity.

A42

#### **UPDATE ON AUDIT PROGRESS AND TIMETABLE - VERBAL REPORT**

[Click here to view a recording of this item on You Tube](#)

This item was discussed before Item 7 on the Agenda

The Assistant Director, Resources introduced Mark Hodgson from Ernst Young.

M Hodgson, Ernst and Young provided a verbal update, the key points of which are set out below:

- Context/background on backdated sets of accounts for the Borough Council 2019/2020 and following years and other local authorities nationally.
- Number of issues currently for UK Public Sector Auditors.
- 2019/2020 audit to be concluded prior currently scheduled to be completed in February 2023 (earliest point in schedule to perform work). It was noted that if a window became available prior to this date, work would be undertaken sooner than February 2023.
- 2020/2021 Statement of Accounts work to commence immediately (6 week block scheduled) following finalising the Statement of Accounts for 2019/2020.
- Statement of Accounts 2021/2022 to commence summer 2023.

M Hodgson, Ernst Young, the Assistant Director, Resources and the Financial Services Manager responded to questions and comments in relation to:

- Recruitment and retention of staff at Ernst Young/all public sector audit firms.
- Outstanding issues on the 2019/2020 accounts to be resolved between the Borough Council and Ernst Young to conclude the audit.
- Consequences for the Borough Council as an entity failing to deliver accounts for such a long period of time and relationships with funding providers/ stakeholders.
- Necessary elements to report as a Borough Council.
- Borough Council's cautions approach when setting the budget in relating to the 2019/2020 and subsequent years not being audited.
- Impact and decisions relating to reserves/uncertainty relating to funding streams/caveats to be included within the Council's Financial Plan going forward.

In response to questions from Councillor Ryves relating to risks identified in previous reports, in particular, the risk relating to lack of success achieving the £3.2m application to National Lottery Fund in respect of Guildhall and the announcement to be made on 15 September 2022, the Assistant Director, Resources explained that she did not have the information to hand and would respond direct to Councillor Ryves.

The Assistant Director advised that M Hodgson, Ernst Young would present the External Audit at a future meeting.

The Chair thanked M Hodgson, Ernst and Young for the update.

**RESOLVED:** The Committee noted the progress report.

A43

### **CABINET FORWARD DECISIONS LIST**

[Click here to view a recording of this item on You Tube](#)

The Chair reminded the Committee to be aware of the Cabinet Forward Decisions List and to identify any items for the Committee's work programme.

The Chair passed a list of items to the Democratic Services Officer to identify which Panel would be considering those items.

A44

### **COMMITTEE WORK PROGRAMME**

[Click here to view a recording of this item on You Tube](#)

**21 November 2022:**

External Audit Plan for 2021/2022 – M Hodgson, Ernst Young

The Assistant Director, Resources advised that the work programme was flexible and items listed would be rescheduled as appropriate.

**20 February 2023:**

Audit Committee Self-Assessment Questionnaire/Position Statement Outcomes – F Haywood

A45      **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will take place on 21 November 2022 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn.

**The meeting closed at 6.41 pm**

# Borough Council of King's Lynn & West Norfolk

Year ended 31 March 2021

## Outline Audit Plan

4 November 2022

Agenda Item 7



Audit Committee  
Borough Council of King's Lynn & West Norfolk  
Kings Court, Chapel Street  
King's Lynn  
Norfolk  
PE30 1EX

4 November 2022

Dear Audit Committee Members

#### 2020/21 Outline Audit Plan

We are pleased to attach our provisional Outline Audit Plan which sets out how we intend to carry out our responsibilities as your auditor. Its purpose is to provide the Audit Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This provisional Outline Audit Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks. The delivery of this audit is wholly predicated on the completion of the 2019/20 audit to the timetable we have agreed with Management. Our planning procedures remain ongoing; we will inform the Audit Committee if there any significant changes or revisions once we have completed these procedures and will provide an update to the next meeting of the committee.

This report is intended solely for the information and use of the Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 21 November 2022 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

*MARK HODGSON*

Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP



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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Borough Council of King's Lynn & West Norfolk in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Borough Council of King's Lynn & West Norfolk those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Borough Council of King's Lynn & West Norfolk for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.





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# Overview of our 2020/21 audit strategy





## Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

### Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud Risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Incorrect capitalisation of revenue expenditure including Revenue Expenditure Funded from Capital Under Statute (REFCUS)	Fraud risk	No change in risk or focus	We have considered the key areas where management has the material opportunity and incentive to override controls. We have identified one area as being; incorrect classification of revenue spend as capital expenditure and manipulation of revenue expenditure funded through capital under statute (REFCUS).
Covid-19 related grant income	Significant Risk	New risk and area of focus	The Council has received a significant level of government funding in relation to Covid-19 during the 2019/20 financial year. There is a need for the Council to ensure that it accounts for these grants appropriately, taking into account any associated restrictions and conditions.
Property, Plant and Equipment - Valuation of Land and Buildings and Investment Properties	Significant Risk	No change in risk or focus	<p>The fair value of Land and Buildings and Investment Properties represent significant balances in the Council's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management are required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the Balance Sheet.</p> <p>Findings from work completed on the 2019/20 audit to date have resulted in numerous valuation adjustments to the accounts resulting in the significant risk being maintained into 2020/21.</p>



## Overview of our 2019/20 audit strategy

Audit risks and areas of focus			
Risk / area of focus	Risk identified	Change from PY	Details
Group Consolidation	Inherent Risk	No change in risk or focus	<p>The Council prepares group accounts to consolidate Alive Management Limited, Alive West Norfolk, and West Norfolk Housing Company.</p> <p>The Council needs to ensure that the consolidation of the subsidiaries is undertaken in line with the relevant accounting standards and in line with the code of practice. We need to gain assurance from the component auditor of all three subsidiaries.</p>
21 Calculation of expected credit losses (NWES Loan)	Inherent risk	No change in risk or focus	<p>In the previous financial year, the Council entered an agreement with Norfolk &amp; Waveney Enterprise Services (NWES) for the repayment of their loan. The loan was impaired by the Council in 2018/19 to reflect the expectation of repayment. The expected credit loss model for the remaining loan is complex, we need to assess the adequacy of the impairment at the Balance Sheet date, taking into account any available information that would impact the model.</p>
Accounting for Assets Held for Sale	Inherent risk	No change in risk or focus	<p>In the 2018/19 audit, we identified a number of errors relating to the classification of Assets Held for Sale (AHFS), where assets tested did not meet the criteria and the balance was overstated (with a corresponding understatement of Property, Plant &amp; Equipment). In the 2019/20 draft Statement of Accounts, the balance of AHFS was £9.754 million this amount remains unchanged in the 2020/21 draft Statement of Accounts, which could indicate that the criteria for classification may not be met, with an inherent risk that the balance may be overstated.</p>
Preparation of Cash Flow Statement	Inherent risk	No change in risk or focus	<p>In the 2019/20 audit, we have identified a number of issues with the Cash Flow statement where an incorrect format had been used and figures were inconsistent with the remainder of the Statement of Accounts.</p> <p>We therefore have an increased risk that similar issues might be present in the 2020/21 accounts.</p>

## Overview of our 2020/21 audit strategy

Audit risks and areas of focus			
Risk / area of focus	Risk identified	Change from PY	Details
Pension Liability Valuation	Inherent Risk	No change in risk or focus	<p>The Council's Pension Fund Liability is a material estimated balance disclosed on the Council's balance sheet. Accounting for this scheme involves significant estimation and judgement, management engages an Actuary to undertake the calculations on their behalf.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>
Omission or Understatement of NDR Appeals Provisions	Inherent Risk	New risk and area of focus	<p>The NDR appeals provision includes, not only claims up to 31 March 2021, but claims that relate to earlier periods and is subject to estimation.</p> <p>As appeals are made to the Valuation Office, the Council may not be aware of the level of claims lodged. The Council may also find it difficult to obtain sufficient information to establish a reliable estimate.</p> <p>Due to the level of estimation, size of the balance and the complexity of this provision we consider this to be a higher inherent risk.</p>
Collection Fund Accounting	Inherent Risk	New risk and area of focus	<p>Businesses in the retail, hospitality, and leisure sections will not have to pay business rates for the 2020/21 fiscal yearend which is automatically applied by the council. Management will be required to update internal applications of the business rates. There is a risk that business rates are overstated.</p> <p>Furthermore, there is a risk that Council Tax will not be fully collected related to 2020/21 and that any related deficits will need to be rebalanced over the next three year period.</p>

## Overview of our 2020/21 audit strategy

Risk / area of focus	Risk identified	Change from PY	Details
Recoverability of Receivables (Bad Debt Provision)	Inherent Risk	New risk and area of focus	There is increased risk that money due to the Council becomes less recoverable due to the Covid-19 pandemic as an increased number of businesses and residents struggle to meet financial obligations. As a result, the Council needs to ensure that it has appropriately considered the impairment of year-end receivables.
Going Concern Disclosure	Area of Focus	No change in risk or focus	The financial landscape for the Council remains challenging and management will need to prepare a going concern assessment covering a period up to 12 months from the expected date of authorisation of the financial statements authorisation. The Council will also need to make an appropriate disclosure in the financial statements. In addition, the revised auditing standard on going concern requires additional challenge from auditors on the assertions being made by management.

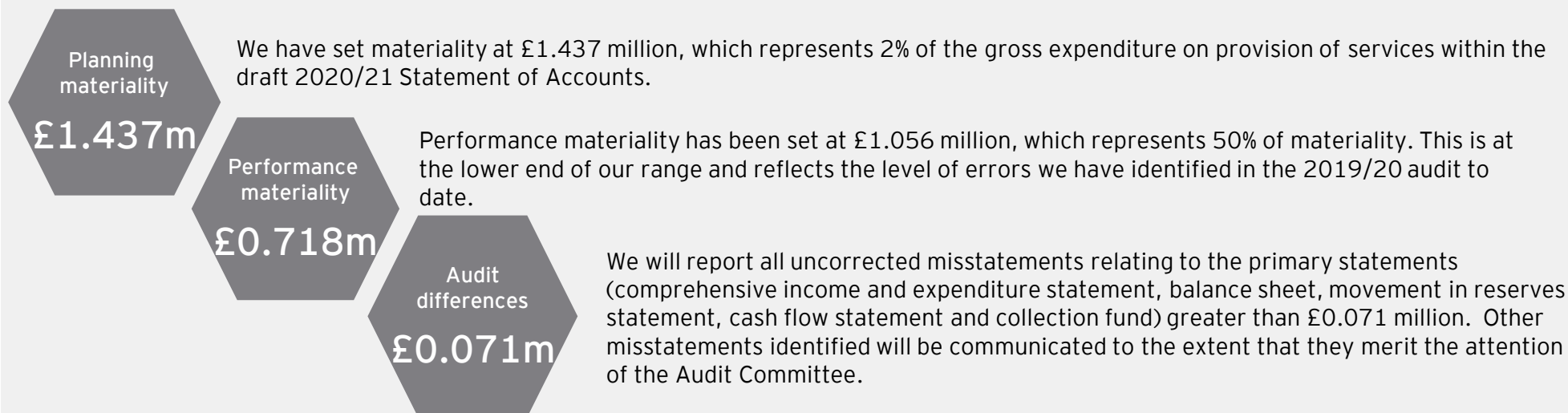
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### Auditing accounting estimates

In addition to the above risks and areas of focus, a revised auditing standard has been issued in respect of the audit of accounting estimates. The revised standard requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors now consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we may see the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area. The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required.

## Overview of our 2020/21 audit strategy

### Materiality



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We also identify areas where misstatement at a lower level than our overall materiality level might influence the reader and develop an audit strategy specific to these areas, including:

- ▶ Remuneration disclosures including councillor allowances: we will agree all disclosures back to source data, and councillor allowances to the agreed and approved amounts.
- ▶ Related party transactions we will test the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

## Overview of our 2020/21 audit strategy

### Audit scope

This Outline Audit Plan covers the work that we plan to perform to provide you with our audit opinion on the Council and Group financial statements for 2020/21. We are also required to report a commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 03, highlighting the changes included in the NAO's Code of Audit Practice 2020.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- 25 ▪ Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council. Taking the above into account, and as articulated in this Outline Audit Plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response. The fees we have included in Section 09 reflect the work we need to undertake to address the risks we have currently identified. We will continuously review and update as necessary our understanding of your risks and discuss with management and the Audit Committee any significant changes.

# Overview of our 2021 audit strategy

## Value for money conclusion

One of the main changes in the NAO's 2020 Code is in relation to the value for money conclusion. We include details in Section 03 but in summary:

- ▶ We are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- ▶ Planning on VFM and the associated risk assessment is now focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.
- ▶ We will be required to provide a commentary on the Council's arrangements against three reporting criteria:
  - Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
  - Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
  - Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.
- ▶ Within the audit opinion we will still only report by exception where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- ▶ The commentary on arrangements will be included in a new Auditor's Annual Report which we will be required to issue within 3 months of issuing the audit opinion on the accounts.

## Timeline

In Section 07 we include a provisional timeline for the audit. This timeline is predicated on being supported by the Council to conclude the 2019/20 audit within the timeline we have notified to Management.

## Fees

We remain in discussion with PSAA about our proposed increase to the scale fee which we consider to be appropriate to deliver a Code compliant audit. We include in Section 09, our current view of the fees required to carry out the 2020/21 audit. We will update the Committee on any determinations by PSAA on fees.





## 02 Audit risks



## Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*	What is the risk?	What will we do?
<p>28</p>	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p>	<p>We will undertake our standard procedures to address fraud risk, which include:</p>
	<p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<ul style="list-style-type: none"> <li>▶ Identifying fraud risks during the planning stages;</li> <li>▶ Inquiry of management about risks of fraud and the controls put in place to address those risks;</li> <li>▶ Understanding the oversight given by those charged with governance of management's processes over fraud;</li> <li>▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;</li> <li>▶ Determining an appropriate strategy to address those identified risks of fraud; and</li> <li>▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.</li> </ul>
	<p>As part of our audit work to identify fraud risks during the planning stages, we have identified those areas of the accounts that involve management estimates and judgements as the key areas at risk of manipulation.</p>	<p>To address the residual risk of management override we perform specific procedures which include:</p>
	<p>In addition, we have identified those areas of the where the risk of manipulation could specifically manifest itself.</p> <p>This area is set out on the following page.</p>	<ul style="list-style-type: none"> <li>▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, for example using our journal tool to focus our testing on specific journals such as those created at unusual times or by staff members not usually involved in journal processing;</li> <li>▶ Assessing key accounting estimates for evidence of management bias; and</li> <li>▶ Evaluating the business rationale for significant unusual transactions.</li> </ul>



## Our response to significant risks (continued)

**Misstatements due to fraud or error – Incorrect capitalisation of revenue expenditure\***

### Financial statement impact

We have identified a risk of expenditure misstatement due to fraud or error that could affect the income and expenditure accounts.

We consider the risk applies to capitalisation of revenue expenditure and could result in a misstatement of 'Cost of Services' reported in the Comprehensive Income and Expenditure Statement.

### What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

As the Council is more focused on its financial position over medium term, we have considered the risk of manipulation to be more prevalent in the inappropriate capitalisation of revenue expenditure on Property, Plant and Equipment and manipulation of revenue expenditure funded through capital under statute (REFCUS).

### What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ For significant capital additions, we will examine invoices, capital expenditure authorisations, leases and other data that support these additions. We review the sample selected against the definition of capital expenditure in IAS 16;
- ▶ We will extend our testing of items capitalised in the year by lowering our testing threshold. We will also review a larger random sample of capital additions below our testing threshold;
- ▶ Reviewing REFCUS entries in the movement in reserves statement and testing of entries to ensure they meet the accounting definition of REFCUS expenditure; and
- ▶ Journal testing – we will use our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.

## Our response to significant risks (continued)

### Significant Risk - Accounting for Covid-19 related Government Grants

#### Financial statement impact

We have identified a risk of Government grant income misstatement that could affect the Comprehensive Income and Expenditure Statement.

We consider the risk applies to the classification of Government grant income and could result in a misstatement of 'Cost of Services' reported in the 'Comprehensive Income and Expenditure' statement and Balance Sheet.

#### What is the risk?

The Council has received a significant level of additional government funding in relation to Covid-19 amounting to £6.573 million in the draft Statement of Accounts.

Whilst there is no change in the CIPFA Code or Accounting Standard (IFRS 15) in respect of accounting for government grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment within the 2020/21 statements.

#### What will we do?

In order to address this risk we will carry out a range of procedures including:

- Sample testing Government Grant Income to ensure that they have been correctly classified as specific or non-specific in nature / Principal or Agent basis; and
- Sample testing Government Grant income to ensure that they have been correctly classified in the financial statements based on any restrictions imposed by the funding body.
- Analytical procedures over amounts claimed back through the Lost Sales, Fees, and Charges Scheme.

We will encourage the Finance Team to provide its assessment of grant accounting before it prepares the statements so that we can provide an early view on its proposed accounting treatment.

## Our response to significant risks (continued)

### Significant Risk - Valuation of Property, Plant and Equipment (Land and Buildings) and Investment Properties

#### Financial statement impact

Property, Plant & Equipment represents significant balances in the Council's accounts and are subject to fluctuation.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the statement of financial position.

#### What is the risk?

In the prior year we reported issues with the adequacy of the Council's arrangements for obtaining valuations of its land and buildings and investment properties. These assets represent a significant balance in the Council's financial statements (£182.39m at 31 March 2021) and are subject to valuation changes, impairment reviews and depreciation charges.

During 2020/21 the Council experience a change in its internal valuer that it engages to value its assets. This increases the risk of material misstatement in relation to land and buildings and investment property valuations.

The valuer will apply a number of complex assumptions to these assets as well as making an assessment to identify whether there is any indication of impairment.

As the Council's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

#### What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Consider the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample test key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ For certain land and buildings and investment properties that are subject to volatility in relevant market information, we will engage our own experts, EY Real Estates, to challenge management's judgements and assumptions;
- ▶ Review assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements.

## Other areas of audit focus (continued)

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What will we do?
<p><b>Group Consolidation</b></p> <p>The Council prepares group accounts. It will be consolidating three subsidiaries: Alive Management Ltd., Alive West Norfolk, and West Norfolk Housing Company.</p> <p>In previous years, we identified a number of audit differences in relation to the group accounts, and the consolidation working papers provided were of poor quality. The Council needs to ensure that the consolidation of any subsidiaries within the Group Boundary is undertaken in line with the relevant accounting standards and in line with the code of practice.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> <li>▶ Review the group assessment prepared by the Council, ensuring that the accounting framework and accounting policies are aligned to the Borough Council of King's Lynn &amp; West Norfolk Council group;</li> <li>▶ Scope the audit requirements for the subsidiaries based on their significance to the group accounts. Liaising with the external auditor of the subsidiaries and issuing group instructions that detail the required audit procedures they are to undertake in order to provide us with assurance for the opinion we will issue on the group accounts;</li> <li>▶ Reviewing the outcomes of the component auditor's work; and</li> <li>▶ Ensuring that appropriate consolidation procedures are applied when consolidating relevant entities into the BCKLWN group accounts.</li> </ul>
<p><b>Calculation of Expected Credit Loss (NWES Loan)</b></p> <p>In November 2018 Norfolk &amp; Waveney Enterprise Services (NWES) became indebted to the Council after failing to repay a loan for £2.75 million (£2.5 million initial loan plus a further £250,000).</p> <p>There is a risk around the calculation of expected credit loss in the 2020/21 accounts and the reasonableness of methodology and assumptions. There is also the need to take into consideration any additional available information in respect of the loan at the Balance Sheet date.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> <li>▶ Review the Council's accounting treatment for the loan and calculation of expected credit loss;</li> <li>▶ Review the arrangements in place with NWES for repayment of the loan, including the settlement agreement;</li> <li>▶ Review the repayment of the NWES loan; and</li> <li>▶ Test that accounting entries have been correctly processed in the financial statements.</li> </ul>

## Audit risks

### Other areas of audit focus (continued)

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What will we do?
<p><b><u>Incorrect classification of Assets Held for Sale</u></b></p> <p>In the 2018/19 audit we identified a number of errors relating to the classification of Assets Held for Sale, where assets tested did not meet the criteria and the balance was overstated (with understatement of Property, Plant &amp; Equipment).</p> <p>In the 2019/20 audit we identified that the balance has increased from £0.934 million to £9.754 million per draft 2019/20 Statement of Accounts. In the 2020/21 accounts the balance remains unchanged from the 2019/20 accounts. This presents a risk that the assets are misclassified as they do not comply with the requirements of the CIPFA Code of Practice for timing of sale.</p> <p><b><u>Preparation of Cash Flow Statement</u></b></p> <p>We identified a number of issues with the cash flow statement in the initial 2018/19 draft accounts where an incorrect format had been used and figures were inconsistent with the remainder of the statement of accounts. This resulted in a revised cash flow statement being prepared, and various adjustments were made across several line items. These issues have carried into the 2019/20 audit with multiple revisions being required to the cash flow statement.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"><li>▶ Sample test assets held for sale and check that items meet criteria; and</li><li>▶ Review sales documentation from after the year-end to check that assets classified as held for sale as at 31 March 2021 were subsequently sold</li></ul> <p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"><li>▶ Review cash flow statement and check internal consistency to the primary statements and disclosure notes; and</li><li>▶ Review presentation of the cash flow statement and associates notes are in line with the CIPFA Code of Practice.</li></ul>

## Audit risks

### Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

#### What is the risk?

##### Pension liability valuation - Inherent Risk

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Cambridgeshire County Council.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2021 this totalled £76.75 million.

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The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

#### What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Liaise with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Borough Council of King's Lynn & West Norfolk ;
- ▶ Assess the work of the Pension Fund actuary (Hymans) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

## Audit risks

### Other areas of audit focus (continued)

What is the risk/area of focus?	What will we do?
<p><b>NDR Appeals Provision - Inherent Risk</b></p> <p>The business rates appeals provision includes, not only claims up to 31 March 2020, but claims that relate to earlier periods and is subject to estimation.</p> <p>As appeals are made to the Valuation Office, the Council may not be aware of the level of claims lodged. The Council may also find it difficult to obtain sufficient information to establish a reliable estimate.</p> <p>Due to the level of estimation, size of the balance and the complexity of this provision we have included it as an area of risk for this year.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"><li>▶ Reviewing the Council's methodology underpinning the provision for business rate appeals to ensure it has been calculated on a reasonable basis in line with IAS 37;</li><li>▶ Ensuring the provision is supported by appropriate evidence and that the level of estimation uncertainty is adequately disclosed; and</li><li>▶ Reviewing the completeness of the provision.</li></ul>
<p><b>Recoverability of Receivables (Bad Debt Provision) - Inherent Risk</b></p> <p>There is increased risk that money due to the Council becomes less recoverable due to the Covid-19 pandemic as an increased number of businesses and residents struggle to meet financial obligations. As a result, the Council needs to ensure that it has appropriately considered the impairment of year-end receivables.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"><li>▶ Obtaining an understanding of Bad Debt Provision policies applied by the Council including any updates to the policies throughout the fiscal period;</li><li>▶ Obtain and review the aged debt report for increases in non-current outstanding balances and sample test the report to underlying source documentation to ensure the accuracy of aging; and</li><li>▶ Identify significant overdue balances and assess the appropriateness of the bad debt provision recorded by The Council to address these balances.</li></ul>
<p><b>Collection Fund Accounting - Inherent Risk</b></p> <p>In the 2019/20 accounts, the Council identified the need for two prior period adjustments relating to the Collection Fund. They related to historic errors identified by the Section 151 officer.</p> <p>The Council needs to ensure that it has now fully resolved historic errors in the Collection Fund.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"><li>▶ Perform analytic procedures over NDR and Council Tax factoring in new assumptions</li><li>▶ Review impact of prior period adjustments on current year balances</li><li>▶ Review of Collection Fund Statement and related disclosures for appropriateness in line with the Code</li></ul>

### Other areas of audit focus (continued)

What is the risk/area of focus?	What will we do?
<p><b>Going Concern disclosures</b></p> <p>There is a presumption that the Council will continue as a going concern for the foreseeable future. However, the Council is required to carry out a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 on the Council's day to day finances, its annual budget, its cashflow and its medium term financial strategy, there is a need for the Council to ensure it's going concern assessment is thorough and appropriately comprehensive.</p> <p>The Council is then required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified.</p> <p>In addition, the auditing standard in relation to going concern (ISA570) has been revised with effect for the 2020/21 accounts audit.</p>	<p>We will meet the requirements of the revised auditing standard on going concern (ISA 570) and consider the adequacy of the Council's going concern assessment and its disclosure in the accounts by:</p> <ul style="list-style-type: none"> <li>▶ Challenging management's identification of events or conditions impacting going concern;</li> <li>▶ Testing management's resulting assessment of going concern by evaluating supporting evidence (including consideration of the risk of management bias);</li> <li>▶ Reviewing the Council's cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern;</li> <li>▶ Undertaking a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern;</li> <li>▶ Challenging the disclosure made in the accounts in respect of going concern and any material uncertainties;</li> </ul> <p>We will discuss the detailed implications of the revised Auditing Standard with finance staff shortly and seek to agree with management to receive an early draft of the Council's going concern assessment in advance of the 2020/21 year-end audit in order to provide management with feedback on the adequacy and sufficiency of the proposed disclosures in relation to going concern.</p>



# Other areas of audit focus (continued)

### What is the risk/area of focus?

#### Auditing accounting estimates

ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures applies to audits of all accounting estimates in financial statements for periods beginning on or after December 15, 2019.

This revised ISA responds to changes in financial reporting standards and a more complex business environment which together have increased the importance of accounting estimates to the users of financial statements and introduced new challenges for preparers and auditors.

The revised ISA requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we expect the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area.

The changes to the standard will affect the nature and extent of information that we request and will likely increase the level of audit work required, particularly in cases where an accounting estimate and related disclosures are higher on the spectrum of inherent risk. For example:

- We will place more emphasis on obtaining an understanding of the nature and extent of your estimation processes and key aspects of related policies and procedures. We will need to review whether controls over these processes have been adequately designed and implemented in a greater number of cases.
- We will provide increased challenge of aspects of how you derive your accounting estimates. For example, as well as undertaking procedures to determine whether there is evidence which supports the judgments made by management, we may also consider whether there is evidence which could contradict them.
- We will make more focussed requests for evidence or carry out more targeted procedures relating to components of accounting estimates. This might include the methods or models used, assumptions and data chosen or how disclosures (for instance on the level of uncertainty in an estimate) have been made, depending on our assessment of where the inherent risk lies.
- You may wish to consider retaining experts to assist with related work. You may also consider documenting key judgements and decisions in anticipation of auditor requests, to facilitate more efficient and effective discussions with the audit team.
- We may ask for new or changed management representations compared to prior year's as a result of the above procedures.



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## Value for Money Risks





# Value for money

## The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

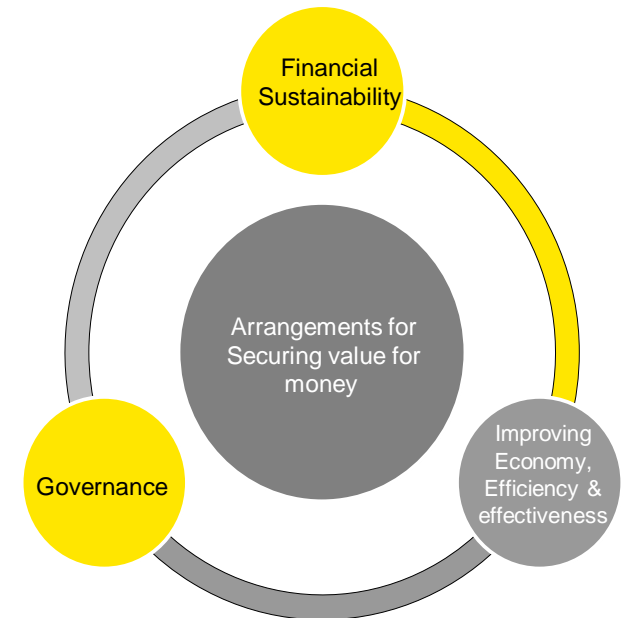
As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailor's the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

## Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- **Financial sustainability**  
How the Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance**  
How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness**  
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.





# Value for money

## Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Council's arrangements, we are required to consider:

- The Council's governance statement
- Evidence that the Council's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates (such as OfSTED) and other bodies and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- Leads to - or could reasonably be expected to lead to - unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Council;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves, or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Council's reported performance;
- Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Council has had to respond to the issue.



## Value for money

### Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Audit Committee.

### Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the Audit Report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

### Status of our 2020/21 VFM planning

We have yet to complete our detailed VFM planning.

We will update a future Audit Committee meeting on the outcome of our VFM planning and our planned response to any identified risks of significant weaknesses in arrangements.





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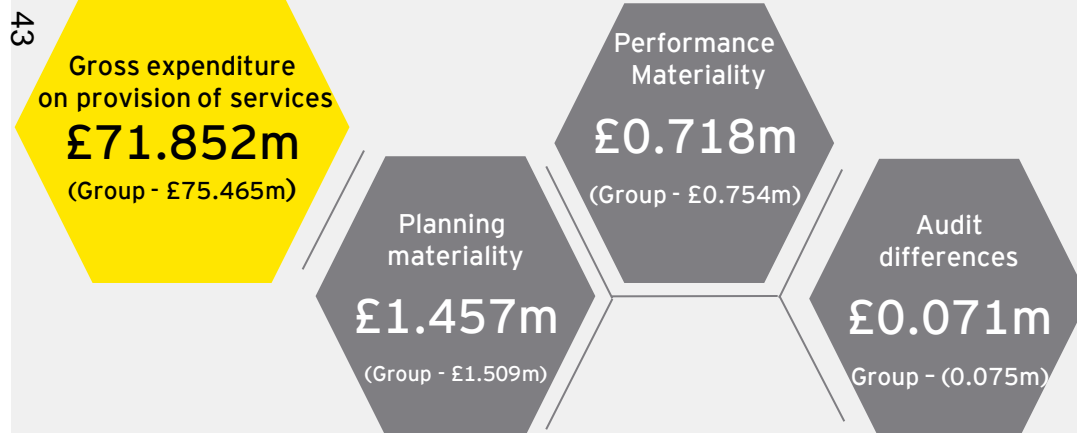
## Audit materiality



# Audit materiality

## Materiality

For planning purposes, materiality for 2020/21 has been set at £1.457 million. This represents 2% of gross expenditure on provision of services as set out in the draft 2020/21 Statement of Accounts. It will be reassessed throughout the audit process. We have chosen this percentage on the basis of there being no shareholders; no traded debt or covenants; limited changes in the business environment; good viability of the business and limited external financing.



We request that the Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

## Key definitions

**Planning materiality** - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance Materiality** - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.718 million which represents 50% of planning materiality. We have considered a number of factors such as the number of errors in the prior year and any significant changes when determining the percentage of performance materiality. We have used the lower end of the range which is a decrease on the percentage used last year.

**Audit difference threshold** - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit Committee, or are important from a qualitative perspective.

**Specific materiality** - We have set a materiality threshold of £5,000 for related party transactions and members' allowances. For officers remuneration including exit packages we will apply materiality of £5,000 in line with bandings. This reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to these disclosures.





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## Scope of our audit





# Our Audit Process and Strategy

### Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

#### 1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

#### Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

#### Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO

#### 2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

## Our Audit Process and Strategy (continued)

### Audit Process Overview

#### Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

Our intention is to carry out a fully substantive audit in 2020/21 as we believe this to be the most efficient audit approach. Although we are therefore not intending to rely on individual system controls in 2020/21, the overarching control arrangements form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement.

#### Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Committee.

#### Internal audit:

As in prior years we will review Internal Audit plans and the results of the works. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

## Scoping the group audit

### Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

- 1. Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
- 2. Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below.

### Scoping by Entity

Our preliminary audit scopes by number of locations we have adopted are set out below.

1	Full scope audits
2	Specific scope audits
Nil	Review scope audits
Nil	Specified procedures
1	Other procedures

### Scope definitions

**Full scope:** locations where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit. Procedures performed at full scope locations support an interoffice conclusion on the reporting package. These may not be sufficient to issue a stand-alone audit opinion on the local statutory financial statements because of the materiality used and any additional procedures required to comply with local laws and regulations.

**Specific scope:** locations where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

**Review scope:** locations where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

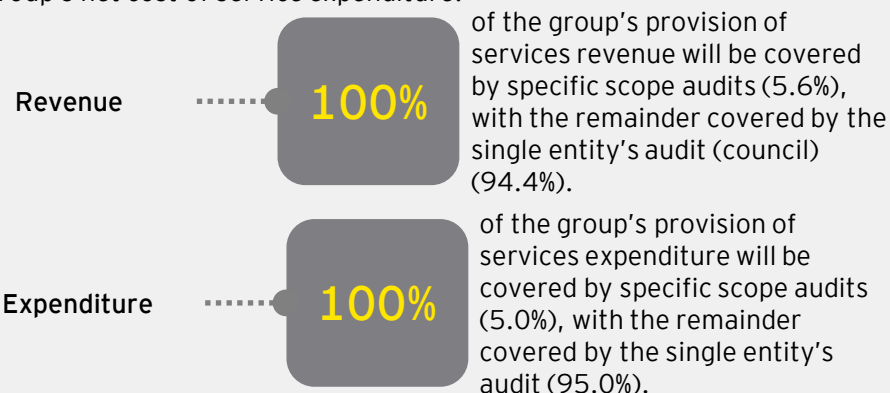
**Specified Procedures:** locations where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

**Other procedures:** For those locations that we do not consider material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those locations.

## Scoping the group audit (continued)

### Coverage of Revenue and Expenditure

Based on the group's draft current year results, our scoping is expected to achieve the following coverage of the group's net cost of service revenue and group's net cost of service expenditure.



Our audit approach is risk based and therefore the data above on coverage is provided for your information only.

Alive West Norfolk, and West Norfolk Housing will be audited by Ensors, a non-EY member firm, who will confirm their independence via our group instructions.

### Key changes in scope from last year

Alive West Norfolk, and West Norfolk Housing have remained a significant component. Alive Management Ltd. has been deemed insignificant and will have other procedures performed.

### Details of specified procedures

In order to provide us a reasonable assurance over the three subsidiaries, we will request the component team to perform specified procedures in relation to what we identify as significant accounts in each. We will perform other procedures including analytic review over Alive Management Ltd.

### Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below.

- We provide specific instruction to component team and our expectations regarding the detailed procedures;
- We set up initial meeting with component team to discuss the content of the group instructions;
- We will consider the need to perform a file review of component team's work where appropriate; and
- We will attend a closing meeting with component team to discuss their audit procedures and findings.



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## Audit team





## Audit team

### Audit team

The engagement team continues to be led by Mark Hodgson as the Lead Audit Partner. Mark has significant experience on local government audits and leads our Government & Public Sector practice across East Anglia. Mark is supported by Andrew Paylor who is taking on the role of Audit Manager at the Borough Council of King's Lynn & West Norfolk. Andrew is responsible for the day-to-day direction of audit work and is the key point of contact for the finance team.

### Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings & Investment Properties	Council's Internal Valuation Team EY Real Estates Team (in relation to investment property and otherwise where required)
Pensions Disclosure	Council's Actuary (Hymans Robertson) PWC (Consulting Actuary to PSAA) EY Pensions Advisory Team
Fair Value Investment Measurement	Link Asset Services (the Council's Treasury Advisor)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.





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## Provisional audit timeline







## Audit timeline

### Timetable of communication and deliverables

#### Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you in respect of the 2020/21. This timetable is wholly predicated on the Council being able to service the closure of the 2019/20 audit in February 2023.

From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Deliverables
Planning: Risk assessment and setting of scopes.	March 2023	Audit Plan Update
Walkthrough of key systems and processes	March 2023	
Year end audit	March 2023	Audit Plan Update - VFM Risk Assessment
Audit Completion procedures	May 2023	Audit Results Report Audit opinion and completion certificates
	June 2023	Auditor's Annual Report





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## Independence



# Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

## Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit/additional services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner</li> <li>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and</li> <li>▶ An opportunity to discuss auditor independence issues.</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

## Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

### Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, your audit engagement partner and the audit engagement team have not been compromised.

### Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees. We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved. None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is 0%.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

### Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

### Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

### Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

## Other communications

### EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2022:

[EY UK Transparency Report 2022 | EY UK](#)





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## Appendices



## Appendix A

### Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Scale fee 2020/21
Total Fee - Code work as per set scale fee	39,494
<b>Additional work:</b>	
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 1)	TBD
Approved PSAA Amounts for ISA540 and VFM	8,500
<b>Total fees</b>	<b>39,494</b>

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*All fees exclude VAT*





**Note 1** - For 2020/21 we will need to seek an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors. Our proposed increase will be discussed with Management and is sent to PSAA for determination. For 2020/21 the scale fee will again be re-assessed to take into account the same recurring risk factors as in 2019/20, plus any additional risks not reflected in the 2019/20 audit, as set out in this Audit Plan. We need to be able to conclude the 2019/20 audit to be able to quantify the financial impact of this on the 2020/21 audit fee.

Any revised scale fee will be discussed with Management and is subject to review and approval by the PSAA Ltd in respect of both financial years.

## Appendix B




# Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
 Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Outline Audit Plan - November 2022
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process.</li> </ul>	Audit Results Report - May 2023

## Appendix B





# Required communications with the Audit Committee (continued)

		Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	<p>Outline Audit Plan - November 2022</p> <p>Audit Results Report - May 2023</p>
 External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit Results Report - May 2023
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	Audit Results Report - May 2023
Internal controls	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit Results Report - May 2023








## Appendix B

# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	Audit Results Report - May 2023
 Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Corrected misstatements that are significant</li> <li>▶ Material misstatements corrected by management</li> </ul>	Audit Results Report - May 2023
Fraud	<ul style="list-style-type: none"> <li>▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	Audit Results Report - May 2023
Related parties	<ul style="list-style-type: none"> <li>▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</li> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit Results Report - May 2023

## Appendix B

# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - May 2023
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - May 2023
Auditors report	<ul style="list-style-type: none"> <li>▶ Key audit matters that we will include in our auditor's report</li> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit Results Report - May 2023
Fee Reporting 	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit plan is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Audit Results Report - May 2023
		Audit Results Report - May 2023
		Audit Results Report - May 2023

## Additional audit information

### Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

<p><b>Our responsibilities required by auditing standards</b></p>	<ul style="list-style-type: none"> <li>▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.</li> <li>▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.</li> <li>▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.</li> <li>▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.</li> <li>▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.</li> <li>▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit Committee reporting appropriately addresses matters communicated by us to the Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and</li> <li>▶ Maintaining auditor independence.</li> </ul>
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### Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	21 November 2022		
TITLE:	Annual Governance Statement 2022 – covering the 2021/22 financial year		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Leader/Finance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE****PURPOSE OF REPORT/SUMMARY:**

The Terms of Reference of the Audit Committee<sup>1</sup> state:

*“The main areas of responsibility for the Audit Committee will be to:*

- a. Monitor the Council’s responsibilities under the Accounts and Audit Regulations 2015, and approve the Statement of Accounts.*
- b. Review the Council’s assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it.”*

This report brings the council's draft Annual Governance Statement (AGS) 2022 to the committee for approval.

The preparation and publication of the AGS is a statutory requirement<sup>2</sup>. The document is a public statement that describes and evaluates the council's overall governance arrangements, in particular how it has complied with its Code of Corporate Governance during a particular financial year. The draft AGS is attached at Appendix A to this report.

**KEY ISSUES:**

1. CIPFA<sup>3</sup> issue guidance and a template to aid authorities in their work on their AGS; this is used as a framework, but the document is written with fresh content each year.
2. Appendix B of the AGS is the action plan devised for the 2022/23 year.
3. Input has been collated from executive directors, assistant directors, service managers and Internal Audit.
4. External Audit will review the final version prior to the final version coming to the Audit Committee.

**OPTIONS CONSIDERED:**

Options do not apply; the council must prepare, approve and publish a statement.

**RECOMMENDATIONS:**

The committee is invited to:

- a) Review the draft Annual Governance Statement 2022 (as attached) and determine whether the work undertaken to review the governance

<sup>1</sup> As agreed by Full Council in June 2016

<sup>2</sup> Accounts and Audit Regulations 2015, regulation 6(1)

<sup>3</sup> Chartered Institute of Public Finance and Accountancy

<p>arrangements in place during the 2021/22 year is appropriate and whether there are any gaps.</p> <p>b) Determine any additional actions the committee would like to be taken to inform the final version of the document which will be brought to a future meeting of the committee.</p>
<b>REASONS FOR RECOMMENDATIONS:</b>
In order to ensure that the Audit Committee can review, challenge and approve the AGS.

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The council's Code of Corporate Governance sets out seven core principles of good governance. These 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 are:

Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Principle 2 Ensuring openness and comprehensive stakeholder engagement.

Principle 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle 5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Principle 6 Managing risks and performance through robust internal control and strong public financial management.

Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

- 1.2 The extent to which the council adheres to these principles is described in the Annual Governance Statement (AGS).

- 1.3 The preparation and publication of the 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.

### **2. The draft Annual Governance Statement 2022**

- 2.1 The draft AGS has been produced in accordance with relevant guidance and notable practice and a comprehensive review has taken place to ensure that the suggested areas are included in the council's AGS for 2021/22.
- 2.2 Sections 1 and 2 are broadly the same as previous editions of the AGS, these are 'introductory sections'.
- 2.3 Section 3 sets out the seven key principles of our Code of Corporate Governance.
- 2.4 Sections 4 through to 10 are the main body of the document and use the seven key principles as headings with detailed content to reflect practices during the year under review.
- 2.5 Section 11 describes how the council has discharged its responsibility to review the effectiveness of its governance framework including the system of internal control.
- 2.6 Section 12 draws attention to the 'Areas of special interest in terms of governance' that the council has in place. These are significant changes such as changes to the council owned companies e.g. Alive West Norfolk or new aspects of the governance framework e.g. the Town Deal Board.
- 2.7 Section 13 covers 'Known Changes in the 2022/23 year'.
- 2.8 Section 14 covers the council's response to Covid 19 which continued throughout 2020/21 and had a significant impact upon its operations.
- 2.9 Section 15 refers to the Action Plans devised for the 2021/22 year (see Appendix A of the draft AGS) and for the year 2022/23 (see Appendix B of the draft AGS).
- 2.10 The development of the draft AGS, and the consultation process, has engaged service managers, assistant directors and executive directors. In particular, input has been obtained at this stage from the Monitoring Officer, Internal Audit Manager and the S151 Officer. Some content remains to be clarified and is highlighted in the draft document.
- 2.11 Given the period covering the action plan at Appendix B has commenced, information on progress has been added.

### **3. Issues for the committee to consider**

- 3.1 The following areas have been identified as aspects the committee may wish to consider:
  - i. Does the AGS cover all areas of our operations?
  - ii. Is it meaningful, easy to read and underpinned by robust evidence?
  - iii. Does it accurately reflect our control structure and a sense of its risks, vulnerabilities and resilience to challenges?
  - iv. Has compliance with the Code of Corporate Governance been assessed and have any departures from it been disclosed and explained?

### **4.0 Corporate Priorities**

Not applicable, the AGS is a statutory requirement.



## **5.0 Policy Implications**

None.

## **6.0 Financial Implications**

None.

## **7.0 Personnel Implications**

None.

## **8.0 Statutory Considerations**

- 8.1 The adoption of the Annual Governance Statement will be required to comply with the Accounts and Audit Regulations.

## **9.0 Equality Opportunity Considerations**

None.

## **10.0 Risk Management Implications**

- 10.1 The Annual Governance Statement forms part of the council's overall control framework and will provide reasonable assurance once adopted that the council is complying with the adopted Code of Corporate Governance.

## **11.0 Recommendations**

The committee is invited to:

a) Review the draft Annual Governance Statement 2022 (as attached) and determine whether the work undertaken to review the governance arrangements in place during the 2021/22 year is appropriate and whether there are any gaps.

b) Determine any additional actions the committee would like to be taken to inform the final version of the document which will be brought to a future meeting of the committee.

## **12.0 Declarations of Interest / Dispensations Granted**

None

## **Background Papers**

CIPFA/SOLACE Framework including Guidance Notes and Addendum  
Cabinet / Panel agendas  
Code of Corporate Governance  
Various policies, strategies, procedures  
Council Constitution



**DRAFT**

# **Annual Governance Statement 2022**

For the 2021/22 financial year

## **1. Scope of responsibility**

- 1.1 The [Borough Council of King's Lynn and West Norfolk](#) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a statutory duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of the above.
- 1.2 The council has a [Code of Corporate Governance](#) in place which sets out how the council intend to apply the principles of corporate governance, in accordance with 'Delivering Good Governance' within the Local Government CIPFA/ SOLACE Framework. The code is on our [website](#) at [www.west-norfolk.gov.uk](http://www.west-norfolk.gov.uk). The code was reviewed by Audit Committee during 2018/19. The code will be reviewed in 2024/25 or sooner if guidance requires.
- 1.3 This [Annual Governance Statement](#) explains how the council has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare a statement.

## **2. The purpose of the governance framework**

- 2.1 The governance framework comprises the systems, policies, procedures and operations by which the authority is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the authority to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:
  - identify and prioritise the principal risks to the achievement of the council's policies, agreed priorities and objectives
  - evaluate the likelihood and potential impact of those risks being realised
  - manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the council for the year ended 31 March 2022 and remains in place to date.

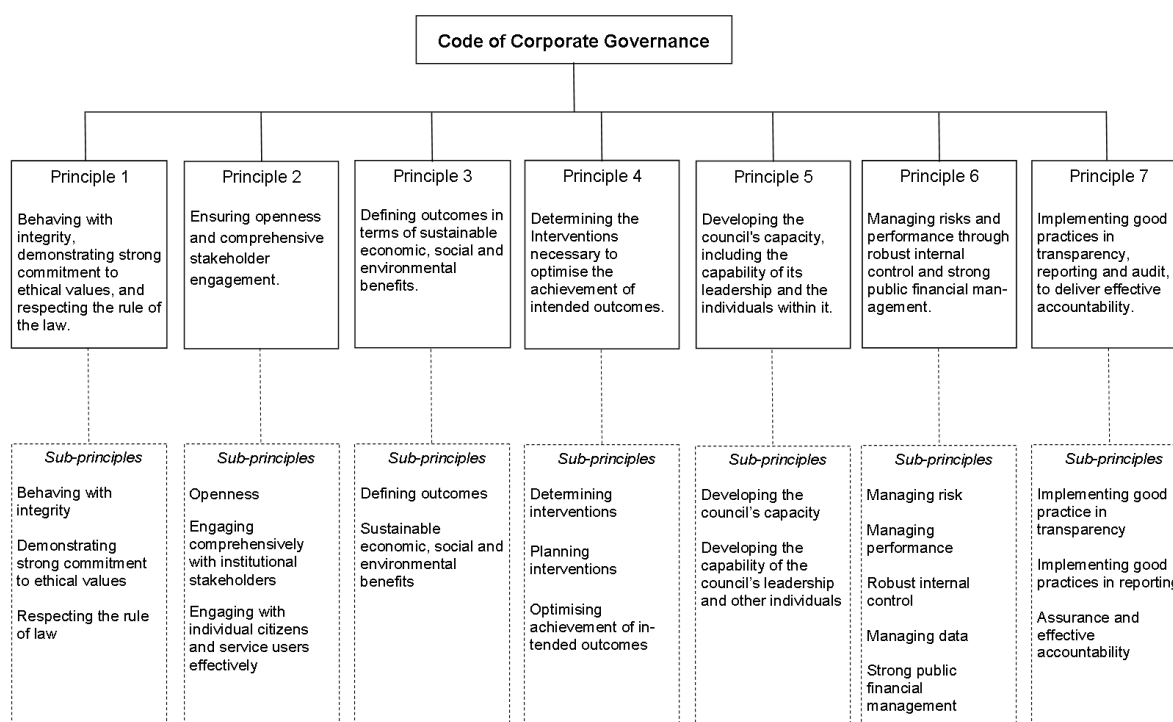
## **3. Key principles of our governance framework**

- 3.1 The council's governance framework is made up of the many systems, policies, procedures and operations we have in place to help realise the following principles and sub-principles summarised in the following diagrams:

## CIPFA<sup>1</sup>/ SOLACE<sup>2</sup>: Delivering Good Governance in Local Government Framework 2016



## Borough Council of King's Lynn and West Norfolk Code of Corporate Governance framework



3.2 The table at Appendix C lists the types of evidence that will demonstrate how the principles of corporate governance have been upheld during the 2021/22 year.

<sup>1</sup> CIPFA: [The Chartered Institute of Public Finance and Accountancy](#)

<sup>2</sup> SOLACE: [Society of Local Authority Chief Executives and Senior Managers](#)

3.3 Sections 4 to 10 summarise how we have sought to comply with the seven principles.

## **4 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law (Principle 1).**

### **4.1 *Behaving with integrity.***

- 4.1.1 The council has adopted a [constitution](#) which sets out how the council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect.
- 4.1.2 Roles and responsibilities of members and officers are set out clearly in the constitution. The council has adopted a number of codes and protocols that govern both member and officer activities. These are:
- [Members Code of Conduct and guidance](#)
  - Officers Code of conduct
  - Member / officer protocol
  - [Members' declarations of interest](#)
  - Register of gifts and hospitality
  - Contract Standing Orders
  - [Code of Corporate Governance](#)
- 4.1.3 Additionally, the council appoints a number of committees and panels to discharge the council's regulatory and scrutiny responsibilities. These leadership roles, and the delegated responsibilities of officers, are set out in the Constitution.
- 4.1.4 The council's Scheme of Delegation designates the Chief Executive as the council's Head of Paid Service. The Scheme of Delegation sets out the remit of elected member Portfolio Holders and the extent of delegations made to committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The council also has [Financial Regulations](#), Contract Standing Orders relating to contracts in place and all of these procedural documents are regularly reviewed.
- 4.1.5 The Monitoring Officer is provided through the council's arrangements with [Eastlaw](#) for the provision of legal services and provides advice on legal compliance. A review of legal services in 2022 resulted in a decision to bring services inhouse and a Monitoring Officer has been recruited.
- 4.1.6 The Members' Code of Conduct sets out requirements for all councillors and co-opted members. Every member and co-opted member of the Borough Council of King's Lynn and West Norfolk must sign an undertaking to observe the Code.
- 4.1.7 The council's [Standards Committee](#) met five times during 2021/22.
- 4.1.8 Several registers are in place covering interests and gifts/hospitality.
- 4.1.9 A [whistleblowing policy](#) is in place and provides protection for individuals raising concerns.



- 4.1.10 A complaints policy is in place and 55 complaints regarding behaviour/conduct were recorded in 2021/22 compared with 52 complaints in 2017/18, 46 complaints in 2018/19, 23 complaints in 2019/20 and 23 in 2020/21.
- 4.1.11 The council has in place key documents which communicate the standards of behaviour required of members and all council staff (officers). Relevant policies are published on the council's intranet or on the personnel system CIPHR and where required published on the council's website.
- 4.1.12 The [Baseline Personnel Security Standard](#) (BPSS) continues as standard practice within the Council's recruitment and appointment processes, to ensure that employees who access information held on the [Public Services Network](#) (PSN) meet a minimum baseline standard of security checks.
- 4.1.13 The [Performance Management Framework](#) also describes how staff performance, including conduct, is managed. All employees have detailed job descriptions and person specifications.
- 4.1.14 The council also has a Harassment Procedure in place for staff, which demonstrates the belief that all employees have a right to be treated with dignity and respect, and that the council will take steps to ensure this right is protected. All policies are available to all staff and councillors via the council's intranet InSite.
- 4.1.15 To enhance support for elected member, a dedicated email inbox was introduced in September 2020. This provides a mechanism for members to raise queries and for officers to corporately coordinate responses. The account is: [Member.Enquiries@West-Norfolk.gov.uk](mailto:Member.Enquiries@West-Norfolk.gov.uk)

#### **4.2 Demonstrating strong commitment to ethical values.**

- 4.2.1 The council has a Code of Conduct for elected and co-opted members, a Code of Conduct for employees and a local [Code of Corporate Governance](#) that provides guidance for officers and members on expected standards of behaviours to ensure integrity.
- 4.2.2 Members receive training on standards arrangements, declarations of interests and the Code of Conduct as part of the authority's discharge of its statutory duty to promote and maintain high standards of conduct by its members.
- 4.2.3 The Monitoring Officer works closely with the Standards Committee and Independent Person on any complaints regarding the potential breach of the Code of Conduct by members. Complaints are handled in accordance with the authority's arrangements for dealing with standards allegations under the [Localism Act 2011](#) and the outcome of such investigations are published on the council's website.
- 4.2.4 There were no identified cases of corruption or misuse of power in 2021/22.
- 4.2.5 There are a range of personnel policies which foster a commitment to strong, ethical behaviour. For example, the annual appraisal process provides a means of considering values and ethical behaviour.
- 4.2.6 Other related policies include the Disciplinary and Dismissal Procedure, Anti-Fraud and Anti-Corruption Policy.
- 4.2.7 The council has a number of service level agreements with external organisations to deliver services that help to improve the quality of life and provide support for

communities. The recipient of the grant must comply with the council's Equality Policy, Health and Safety Policy and Safeguarding Policy.

- 4.2.8 Officers involved in the procurement process must attend the "Introduction to Effective Procurement" training. Other mandatory courses relate to particular roles in the procurement process including "Specification Writing and Selection of the Successful Contractor" and "Effective Contract Management".

### **4.3 Respecting the rule of law.**

- 4.3.1 The council's constitution provides a comprehensive framework for the management of the authority's business and ensures compliance with relevant laws, regulations, internal policies, codes of practice and procedures. The statutory officers – Head of Paid Service, Monitoring Officer and Section 151 officer monitor and ensure adherence.
- 4.3.2 The Council has enhanced its financial management capacity in 2021/22 with the appointment of a deputy S151 officer and a project accountant.
- 4.3.3 Initiatives are reviewed by regular meetings of the [Management Team](#) in order to ensure compliance and that spend is legal.
- 4.3.4 Statutory compliance is tested through the work programme of [Internal Audit](#). The work programme is agreed by Management Team and reported to [Audit Committee](#). From June 2021, the council's Audit Manager is provided by Eastern Internal Audit Services.
- 4.3.5 Job descriptions and person specifications refer to specific requirements to discharge duties regarding specific legislation.
- 4.3.6 The council is also compliant with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015).
- 4.3.7 The following policies, strategies and governance documents were approved in 2021/22:

Document	Approval	Date
Norfolk Green Infrastructure (GI) and Recreational impact Avoidance and Mitigation Strategy (RAMS)	Cabinet	15 Jun 2021
Anti-Fraud and Anti-Corruption Policy and Strategy	Cabinet	15 Jun 2021
Councillor Community Grant Scheme	Cabinet	3 Aug 2021
King's Lynn Town Deal Heads of Terms	Cabinet	24 Aug 2021
Climate Change Strategy	Cabinet	21 Sep 2021
Norfolk Flood Risk Strategy	Cabinet	21 Sep 2021
Corporate Business Plan 2021-23	Cabinet	16 Nov 2021
Members Major Projects Board Terms of Reference	Cabinet	16 Nov 2021
Statement of Principles, Gambling Act 2005	Cabinet	16 Nov 2021
Capital Strategy and Treasury Management Strategy	Council	9 Feb 2022

- 4.3.8 The council remained 'Payment Card Industry (PCI) Compliant' in 2021/22.
- 4.3.9 There were 20 data breaches in 2021/22 (11 in 2020/21, 6 in 2019/20 and 4 in 2018/19); all minor and therefore not reported to the [Information Commissioner's Office](#) (ICO). These were dealt with in accordance with the council's Data Protection Policy. The Information Commissioner has taken no action against the council.
- 4.3.10 Each service manager is required to submit an annual data quality sign off sheet.
- 4.3.11 The list of Cabinet responsibilities was amended in June 2021 and the scheme of delegation was correspondingly revised.

## **5. Ensuring openness and comprehensive stakeholder engagement (Principle 2).**

### **5.1 Openness.**

- 5.1.1 The council has an open culture demonstrated by its work on transparency, the leadership style of officers and members, the use of regular team briefings and supervision meetings, staff and member bulletins, an annual briefing on the budget and publication of information on the intranet and website.
- 5.1.2 Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior officers of the council can make decisions under delegated authority – the extent of these delegations is set out in the Constitution.
- 5.1.3 Key decisions are generally taken in an open environment and supported by concise officer reports supported by additional documents such as business cases, equality impact and risk assessments and prior scrutiny by policy review and development panels.
- 5.1.4 The Annual Governance Statement and Statement of Financial Accounts provide a form of annual report and these are considered in an open meeting of the [Audit Committee](#).
- 5.1.5 A wide range of information is available via the council's website. This includes a [Freedom of Information Act publication scheme](#). A wide variety of datasets are published within a "[transparency](#)" section and include data such as salaries, spending, grants, parking, assets and management information.
- 5.1.6 The "[MyAccount](#)" and "[MyRevenues](#)" online accounts enable customers to access their information and service requests via the council's website.
- 5.1.7 [Committee meetings](#) are timetabled a year ahead and have published agendas, minutes and reports which are available prior to the date of the meeting.
- 5.1.8 Following the expiry of the powers granted by Section 78 of the Coronavirus Act 2020, Cabinet agreed interim meeting arrangements in August 2021 and reviewed in October 2021.
- 5.1.9 Decision making protocols are set out in the Constitution.

- 5.1.10 Regular discussions between members and officers clarify the information needs of members to support decision making. The list of key decisions and committee work programmes provide further information on timescales.
- 5.1.11 The flow of information for committees is supported by a calendar of dates for submitting, publishing and distributing timely reports.

## **5.2 Engaging comprehensively with institutional stakeholders.**

- 5.2.1 The council works in partnership with a wide range of organisations to deliver its aims, policies and objectives.
- 5.2.2 The council has an active communications programme engaging with local media, residents and other stakeholders over a range of traditional and digital channels. Cabinet bolstered the Communications Service with two additional staff in August 2021.
- 5.2.3 Engagement is developed on a bespoke basis. A number of consultation activities engaged a wide variety of stakeholders in 2021/22 including:

Consultation	Date	Purpose
Rail to river improvements planned for King's Lynn	Jan 2022	Plans to improve a route connecting rail to river in King's Lynn have been unveiled (Rail to River – Vision King's Lynn ( <a href="http://visionkingslynn.co.uk">visionkingslynn.co.uk</a> ) - and the public are being invited to help to shape the artwork on the route.
Neighbourhood planning referendum in Castle Acre	Jan 2022	A referendum on the area's Neighbourhood Planning Referendum.
Young people and local business surveys to shape the future of King's Lynn.	Oct 2021	<p>Opportunity for 16-25's, to share their views on what they'd like to see in the town, what is missing, plus their thoughts on career opportunities in King's Lynn.</p> <p>A survey is running especially for business owners, people thinking of setting up on their own, or individuals who are looking to take a hobby to the next stage to share their thoughts on pop-up spaces for the town</p>
Representations sought on Local Plan ahead of formal examination	July 2021	Representations from anyone interested in the development of the borough through to 2036 are being sought on the Borough Council of King's Lynn & West Norfolk's Local Plan Review Draft.
Opportunities Downham Market	May 2021	Consultation, engagement and communications around plans, investment

		and potential improvements for the town.
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- 5.2.4 [Norfolk Resilience Forum](#) (a group of public services, emergency services, utility companies, armed forces and key voluntary groups) has continued with its response to Covid-19 and the Council has been an active contributor to the core groups and sub-groups.
- 5.2.5 The council participates in a range of joint working arrangements with other bodies. Some arrangements are formal, and are a way to deliver the council's duties and obligations or generate income, for example strategic housing services with Breckland District Council, parking control in Great Yarmouth and the management of disabled facilities grants in Breckland and Fenland. These arrangements are subject to formal governance arrangements and include processes for reviewing the delivery of benefits, and, where performance is unsatisfactory, arrangements for termination.
- 5.2.6 The council, as a responsible authority<sup>3</sup>, is a member of Norfolk Community Safety Partnership with a district based multi-agency Operational Partnership Team and [Norfolk Community Safety Scrutiny Sub Panel](#).
- 5.2.7 District councils not only affect public health through their direct roles and functions but also through their power to influence other bodies such as county councils, the local NHS, and health and wellbeing boards. The council is a member of [Norfolk Health and Wellbeing Board](#) and the related [Norfolk Health Overview Scrutiny Committee](#). At a more local level, the council coordinates a multi-agency group focused on increasing activity levels.
- 5.2.8 There are a range of county-wide collaborative partnerships that the council engages with. Examples include Norfolk Business Rates Pool, [Norfolk Arts Forum Executive](#), [Norfolk Coast Partnership Core Management Group](#), [Norfolk Joint Museums Committee](#), Norfolk Local Authority Tourism Group, [Norfolk Parking Partnership Joint Committee](#), [Norfolk Police and Crime Panel](#), [Norfolk Rail Policy Group](#), [Norfolk Records Committee](#), Norfolk Counter Fraud Hub, [Norfolk Waste Partnership](#) and the Norfolk Resilience Forum. The Norfolk Climate Change Partnership is chaired by the council's Chief Executive.
- 5.2.9 A joint waste collection service with neighbouring councils in North Norfolk District Council and Breckland District Council commenced on 1 April 2021 and is delivered by Serco.
- 5.2.10 Regeneration is a corporate priority and, given the Enterprise Zone and other regeneration interests, the council actively engages with the NALEP Steering Group.
- 5.2.11 King's Lynn was awarded £25m from the Government's Towns Fund and the investment is directed by a [Town Deal Board](#) responsible for:
- developing and agree an evidence based Town Investment Plan
  - developing a clear programme of interventions
  - coordinating resources and influencing stakeholders
- 5.2.12 There are also a number of partnerships and outside bodies at or within borough level which are independent from the council but have an impact on its service areas.

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<sup>3</sup> Crime and Disorder Act 1998



Examples include [West Norfolk and King's Lynn Girls School Trust](#), [West Norfolk Chamber of Commerce Council](#), [West Norfolk Community Transport Project](#) and [West Norfolk Tourism Forum Executive Forum](#). Oversight of these is a responsibility of the appropriate scrutiny panel.

- 5.2.13 Other partnerships are of a contractual nature, such as the delivery of leisure services via [Alive West Norfolk](#) and these are listed in Appendix D.
- 5.2.14 The council has established 3 wholly owned companies which are detailed in section 12 of the Annual Governance Statement. A governance review has been commissioned in September 2021 and is due to report in 2022 pending the publication of guidance by CIPFA.

### **5.3 *Engaging with individual citizens and service users effectively.***

- 5.3.1 Following a change in Council leader, the Corporate Business Plan was revised in November 2021 and continues to set out the council's vision and provides the basis for investment, service planning and other decisions.
- 5.3.2 The plan refers to a range of intended outcomes and these are underpinned by strategies, service plans and the performance management framework and reported to overview and scrutiny panels.
- 5.3.3 The coronavirus pandemic began to impact upon the council from February 2020 and interrupted the usual business planning process. The council has moved between response and recovery as the virus impacted upon the country. [A Covid 19 recovery strategy](#) was initially developed but later affected by changes to national and local responses required by the Norfolk Resilience Forum.
- 5.3.4 Impacts on equality are required for all reports and equality impact assessments are considered where required by the Equality Policy.
- 5.3.5 The council aims to ensure that it is open, honest and transparent, and to enhance inclusion by building on our understanding of customer needs and perceptions, through improved customer service and community engagement. This has informed our approach to tackling social isolation evident in [Care and Repair](#) and [Lily](#).
- 5.3.6 The council engages with local people and stakeholders in the following ways on a range of issues: surveys; roadshows; community events; on line feedback; interviews; public meetings / consultation; compliments / complaints procedure.
- 5.3.7 Members of the public are also able to [ask questions](#) on a topic or service within the council's control at full council meetings.
- 5.3.8 A [King's Lynn Area Consultative Committee](#) is in place, which is made up of the councillors for the un-parished area of King's Lynn and West Lynn. The committee's terms of reference state that the committee is to act as a consultative forum and to encourage community engagement.
- 5.3.9 The council uses a variety of corporate communication including a website, intranet site, a newsroom, newsletters, media releases and social media to communicate and engage with the community and staff. [Facebook](#) and [Twitter](#) are used effectively to update on service provision. Social media is used for specific campaigns such as Covid-19, Census 2021 and to support tourism. Results all methods of communication are fed back into the organisation. The council also monitors

feedback from residents and service users through compliments and complaints received.

5.3.10 During 2021/22, the council continued to be an active partner in the [Wash East Coastal Management Strategy Stakeholder Forum](#). The forum includes a wide range of public, private and voluntary sector organisations and consulted upon plans for managing a beach and addressing flood and coastal erosion risks.

5.3.11 The council has complied with the requirements of the [Local Government Transparency Code 2015](#). The code makes it a legal requirement for local authorities to publish specified data by prescribed deadlines and thereafter annually. [The council publishes all specified data on its website](#), in the prescribed format, by the required deadline.

5.3.12 Our digital transformation work in 2021/22 resulted in:

- The successful launch of web chat, allowing Council Information Centre advisors to manage 'multiple' chats at the same time; 7,217 were completed in 2021/22 compared with 8,024 chats (2020/21) and 3,652 (2019/20).
- Working closely with the Housing team to improve the digital services provided
- Fly-tipping form integration with IDOX Uniform, Open Process and Report-it, preventing repeat reports and updating multiple systems.

5.3.13 Customer feedback from contact with the Council Information Centre in 2021/22 indicated:

	2019/20	2020/21	2021/22
% of customers who think our digital services are excellent	66	77	70
% of customers who were overall satisfied	97	99	97

## **6. Defining outcomes in terms of sustainable economic, social and environmental benefits (Principle 3).**

### **6.1 Defining outcomes.**

6.1.1 The Corporate Business Plan 2021-23 outlines six priorities:

- Focusing on delivery
- Delivering growth in the economy and with local housing
- Protecting and enhancing the environment including tackling climate change
- Improving social mobility and inclusion
- Creating and maintaining good quality places that make a positive difference to people's lives
- Helping to improve the health and wellbeing of our communities

6.1.2 The plan is aligned with the council's [Financial Plan](#) and both documents are available on our website in order to be clear and transparent to local people, service users and stakeholders. Updates are also provided for members, staff and the public and available on the council's website via committee agendas and on the intranet InSite.

6.1.3 The plan is underpinned by directorate plans and the performance management framework.

- 6.1.4 Progress against the Covid-19 recovery strategy indicators was monitored quarterly by Management Team and reported to Corporate Performance Panel.
- 6.1.5 The council's Management Team meet on a weekly basis to consider matters commensurate with the corporate business plan and emerging issues. It also considers internal control issues, including risk management, performance management, compliance, value for money and financial management.
- 6.1.6 The corporate risk register is routinely updated and considers risks to the achievement of the corporate business plan. Reports are considered by Management Team and Audit Committee.
- 6.1.7 Budget reports are provided on the intranet. All budget holders are involved in the budget setting process.

## **6.2 *Sustainable economic, social and environmental benefits.***

- 6.2.1 Discussions regarding capital investment are used to optimise social, economic and environmental benefits. These considerations are evident in the capital programme and investment strategy and across the projects considered by the Officer Major Projects Board and Member Major Projects Board.
- 6.2.2 Briefings, portfolio updates, sifting meetings and meetings between the Chief Executive and council leadership are examples of the range of dialogue to support decision making. .
- 6.2.3 Reports to committees and Management Team provide a record of decision making and related background information.

## **7. **Determining the interventions necessary to optimise the achievement of the intended outcomes (Principle 4).****

### **7.1 *Determining interventions.***

- 7.1.1 Portfolio holder discussions and stages within the decision making process, such as the preparation of committee reports, provide opportunities to shape objectives and robustly analyse options and associated risks.
- 7.1.2 Development of the financial plan draws together feedback from a range of sources to prioritise competing demands within the confines of a balanced budget.
- 7.1.3 The council's risk management framework requires that consideration of risk is embedded in all key management processes. These include aspects such as policy and decision making, service delivery planning, project and change management, contracts, budget management and partnership working.
- 7.1.4 The financial management of the council is conducted in accordance with the financial rules set out in the Constitution and Financial Regulations. The council has in place a Medium Term Financial Plan, updated annually, to support the aims of the Corporate Business Plan.
- 7.1.5 [Contract Standing Orders](#) reflect best practice in order to obtain best value and to guard against corruption, discrimination and breaches of public procurement regulations.

- 7.1.6 All budget lines are allocated to a named budget officer who is responsible for controlling spend against that budget, and who is also responsible for assets used in the provision of their service.
- 7.1.7 The contract management strategy emphasises that operational managers are responsible for contract management. Job descriptions for senior managers contain relevant responsibilities and appropriate training and development has been provided.
- 7.1.8 Corporate contract support is provided by the procurement team who also actively manage a number of centralised contracts.

## **7.2 *Planning interventions.***

- 7.2.1 A number of measures help to create robust planning and control cycles. These include calendars for developing and submitting plans and reports, the performance and risk management frameworks, corporate policy guidance and equality impact assessments.
- 7.2.2 Internal and external stakeholders are involved in determining how services should be planned and delivered. This is typified by internal working groups, project teams and boards, consultation on major developments and the formulation of new strategies.
- 7.2.3 Performance measures are identified within performance appraisals, directorate plans and strategies. Key performance indicators are identified by service managers, directors and portfolio holders and provide the basis of quarterly reports to Corporate Performance Panel.
- 7.2.4 The Medium Term Financial Plan is aligned with the corporate business plan. Annual budget setting guidance is issued to service managers to inform service planning. Monthly budget monitoring reports provide an indication of progress.
- 7.2.5 Project management approaches are used by project boards demonstrated by the use of project teams, project briefs, business cases and option appraisals and post project evaluation.

## **7.3 *Optimising achievement of intended outcomes.***

- 7.3.1 The council's shift towards digital services progressed well during 2021/22 with improved take up of My Account, use of online integrated forms and the online help function. The Revenues and Benefits customer portal 'MyRevenues' allows customers to self-serve via the council's website, accessing real time data about their council tax, business rates accounts and benefit claims, and completing integrated forms.
- 7.3.2 The website is fully responsive and works well across a wide range of devices.
- 7.3.3 The total number of MyRevenues users has increased by a further 33% during 2021/2022 to 17,695 users, driven in part by the pandemic and the various support schemes made available online to individuals and businesses. High levels of take up demonstrate the ease of use and benefit that being able to access information and complete forms at a time convenient to the customer has enabled. Many Revenues

and Benefit forms integrate directly with our back office system, and use of these forms continues to increase.

- 7.3.4 The council continues to encourage take up of digital services by providing self-service facilities at the King's Court offices.
- 7.3.5 The council's financial ledger underpins its internal system of financial control and system development continued into 2021/22. This is supported by a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the ledger software is undertaken by the council's financial services team.
- 7.3.6 Financial management processes and procedures are set out in the council's financial regulations.
- 7.3.7 Contract Standing Orders encourage services to consider social value particularly in larger value contracts where social value issues such as 'use of local apprenticeships' and 'use of local sub-contractors' are used as award criteria.
- 7.3.8 The council engages with the voluntary, community, social enterprise (VCSE) sector usually through the route of grants, other financial support and through the West Norfolk Wins lottery.
- 7.3.9 The procurement team use methods such as brief tender documentation, early identification of potential local suppliers, encouraging local businesses to sign up to online alerts for local contract opportunities and provision of briefings for SMEs on the procurement process.

## **8. Developing the council's capacity, including the capability of its leadership and the individuals within it (Principle 5).**

### **8.1 *Developing the council's capacity.***

- 8.1.1 The council aims to ensure that its members and officers have the skills, knowledge and capacity they need to discharge their responsibilities. The online corporate induction course is available for all new members and staff to familiarise themselves with protocols, procedures, values and aims of the council and is regularly reviewed.
- 8.1.2 An established member training and development programme, including an induction process and regular updates throughout the year. Specific training is also provided to members who sit on regulatory committees, and they are unable to take up a position on these committees without having first received the relevant training.
- 8.1.3 Reviews often draw upon benchmarking information and research into notable practice at other local authorities to inform option development.
- 8.1.4 Examples of benefits from collaborative working are evident in waste management, parking enforcement, community safety, cultural and regeneration activities, strategic housing, climate change and the response to Covid-19.



## **8.2    *Developing the capability of the council's leadership and other individuals.***

- 8.2.1 The annual appraisal process provides an opportunity to review job descriptions and the capability of employees. The absence management procedure informs capability and capacity considerations.
- 8.2.2 All posts have a detailed job description and person specification. Training needs are identified through team meetings, 1:1s and annual appraisals and addressed via Personnel and/or individual services as appropriate. A performance related pay system provides an incentive to perform well.
- 8.2.3 Regular dialogue between the chief executive and council leadership helps to maintain a shared understanding of future direction and progress. Robust governance is informed by regular meetings between the three statutory officers. The council's senior managers and political leaders have been with the council for many years and that relationship has provided a strong foundation for broader leadership of the organisation.
- 8.2.4 The scheme of delegation, Standing Orders and financial regulations are reviewed periodically and typically triggered by legal and organisational changes such as restructures.
- 8.2.5 Other examples of activities to enhance capability include:
- Using efficient systems and technology to provide effective support e.g. roll out of Office 365 and Microsoft Teams, Zoom and YouTube.
  - Telephony via the Microsoft Teams software.
  - Implementing appropriate human resource policies and ensuring that they are working effectively e.g. trial of absence management approach.
- 8.2.6 Senior officers also participate in relevant sessions relating to changing technical requirements to ensure the up to date position is known and to feed in to relevant central government departments at appropriate times; examples are attendance at major projects development meetings, meetings with ministers and their civil servants on programmes and policy development and various Covid-19 meetings under the Norfolk Resilience Forum.
- 8.2.7 Member development needs are identified through use of a periodic questionnaire and are also identified during the year as matters arise.
- 8.2.8 The policy review and development panels regularly receive updates on relevant topics as part of their agenda, particularly around any new or current initiatives, and briefings are run throughout the year. The Audit Committee has received specific briefings / training throughout the year.
- 8.2.9 The Council values the health and wellbeing of its workforce. This is underpinned by its Health, Safety and Welfare Policy and supported by staffing changes that will bring a greater focus on health and wellbeing within the council. There is a positive relationship with the recognised trade unions.

## **9. Managing risks and performance through robust internal control and strong public financial management (Principle 6).**

### **9.1 *Managing risk.***

- 9.1.1 We recognise that everyone has a role in managing risk which is proportionate to their role. The corporate risk register is periodically reviewed with updates reported to Management Team and Audit Committee.
- 9.1.2 All committee reports contain a section on risk.
- 9.1.3 Business continuity is a key risk and an Incident Response Plan was developed by the Business Continuity Corporate Officer Group to support the council's response to incidents.
- 9.1.4 The council's Covid-19 incident response continued throughout 2021/22 where the local and national focus has moved between response and recovery and national measures were introduced and then rescinded..
- 9.1.5 The [Major Projects Member Board](#) continued throughout the year to provide assurance that the council's major projects programme is run in accordance with the Major Projects (Officer) Board Terms of Reference.
- 9.1.6 The council's internal audit team have a fraud risk register to monitor fraud risks across the council and review them to establish mitigations in place and improvements required in conjunction with standard internal control testing.

### **9.2 *Managing performance.***

- 9.2.1 The council has a Performance Management Framework aligned with the corporate business plan. Performance targets and actions are cascaded through directorate, service, team meetings and 1:1s.
- 9.2.2 A data quality assessment takes place at year end supported by checks through the year.
- 9.2.2 Through reviews by external auditors, external agencies, Internal Audit the council seeks ways of ensuring the economical, effective and efficient use of resources and for securing continuous improvement in the way in which its functions are exercised.

### **9.3 *Robust internal control.***

- 9.3.1 All committees have clear terms of reference and work programmes to set out their roles and responsibilities The Audit Committee meet throughout the year to provide independent assurance to the Council and considers the reports and recommendations of internal and external audit and inspection agencies and their implications for governance, and risk management or control, and supports effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourages the active promotion of the value of the audit process and review the financial statements.
- 9.3.2 The committee considers the internal and external auditor's opinion and reports to members, and monitors management action in response to the issues raised by internal and external audit. These arrangements ensure that the council has processes and procedures in place to ensure that an it fulfils its overall purpose, achieves its intended outcomes for service users and operates in an economical,

effective, efficient and ethical manner, as prescribed in the CIPFA/the role of the head of internal audit statement.

- 9.3.3 There is an agreed programme of Internal Audit reviews through the year. With reports approved by lead managers/directors and a summary provided to Audit Committee.
- 9.3.4 The Council complies with the [Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014). There is an Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan. The council investigates fraud relating to Council Tax and Business Rates payments, Council Tax Support, as well as other types of fraud identified across the authority. A referral system is in place between the council and the Department for Work and Pensions if housing benefit fraud is suspected.
- 9.3.5 The Audit Committee complies with best practice set out in “[Audit Committees: Practical Guidance for Local Authorities and Police](#) (CIPFA, 2018)”. There is a clear terms of reference which is periodically reviewed. The committee members meet at least 6 times per year. There are regular attendances from a range of senior officers including the Assistant Director - Resources (Section 151 officer and the lead officer for the committee), the Chief Executive and the Internal Audit Manager and the appointed external auditor. Other attendees include the Monitoring Officer.
- 9.3.6 During 2018/19, the council began to explore ways to enhance the oversight of its wholly owned companies. This work continued into 2020/21 and, whilst delayed by Covid 19 and awaited CIPFA guidance, will ultimately strengthen oversight of company performance and business plans.
- 9.3.7 Effective arrangements are in place for the discharge of the Monitoring Officer, Head of Paid Service and Section 151 roles. There are periodic meetings of the 3 statutory officers to consider governance issues.
- 9.3.8 The Chief Executive is the council’s Head of Paid Service and has overall responsibility for the management and co-ordination of the employees appointed by the council.
- 9.3.9 The council has a corporate complaints procedure in place, available on the council website. The council also deals with any incidents of racial complaints, or complaints relating to a disability, in a similar but separate process. The complaints received are analysed and results presented to the Corporate Performance Panel on an annual basis.

#### **9.4 Managing data.**

- 9.4.1 There is a designated data protection officer, a senior information risk owner (SIRO) and deputy SIRO. A range of information asset owners and administrators have also been identified.
- 9.4.2 The data protection policy was updated in 2018. Given national concerns regarding the impact of EU transition upon data sharing an audit was undertaken of ICT systems and data sharing arrangements. There were no significant issues identified although this continues to be monitored as the EU’s data adequacy judgement is time limited.

- 9.4.3 Corporate training for GDPR was provided in 2019/20 and informed the corporate preparation of privacy notices, records of processing activity and the review of the authority's document retention and disposal policy.
- 9.4.4 A new Data Protection e-learning course was launched in Autumn 2020 and was compulsory for all staff to complete.

## **9.5 *Strong public financial management.***

- 9.5.1 CIPFA describe the roles and responsibilities of the chief financial officer, who is bound by both professional standards and also legislative responsibilities, with a fiduciary duty to the local taxpayer.
- 9.5.2 The council's arrangements fully comply with the principles described: the current chief financial officer was recruited in March 2020 and is the Assistant Director of Resources and reports to an Executive Director.
- 9.5.3 Budget monitoring reports are provided and published on the intranet for all staff and councillors to view. An annual budget briefing is provided by the Assistant Director Resources and open to all staff.
- 9.5.4 The development of the revenue and capital budget, medium term financial strategy and treasury management strategy all engage members and are reported to Audit Committee and Cabinet. As per 9.1.2 for managing risk, all committee reports contain a section on financial implications for consideration.

## **10. Implementing good practices in transparency, reporting and audit, to deliver effective accountability (Principle 7).**

### **10.1 *Implementing good practice in transparency.***

- 10.1.1 Committee meetings are open to the public except where sensitive or confidential matters are being discussed. Appropriate reports are available for the public to review on the council's website and reference the contact details of the key officers and members.
- 10.1.2 Internal Audit is an independent and objective service to the management of the council and undertakes a programme of reviews throughout the year to provide an annual opinion on the framework of governance. Significant weaknesses in the control environment are reported to senior management and the Audit Committee by the Internal Audit Manager as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings and Audit Committee, and issues with addressing the urgent recommendations are also discussed at Management Team.
- 10.1.3 The council has a Code of Corporate Governance in place, which sets out how the authority intends to apply the principles of corporate governance, in accordance with CIPFA/SOLACE guidance.
- 10.1.4 The website, intranet, communications function, published datasets and social media channels all contribute towards being a transparent organisation. Members of the public are able to raise questions at council meetings in addition to raising matters directly with services, senior officers and councillors. Policies are in place for responding to requests made under access to information regulations including

the Data Protection Act 2018, Freedom of Information Act 2000, Environmental Information Regulations 2004 and via the corporate complaints system.

## **10.2 Implementing good practices in reporting.**

10.2.1 A wide range of information is reported publicly including:

<b>Information</b>	<b>Purpose</b>	<b>Frequency</b>
Annual financial statements	To indicate how financial resources have been used.	Annually with more frequent budget monitoring reports.
Appropriate approvals	To provide a record of decisions made.	As and when decisions are made.
Records of decisions made under delegated powers	To provide a record of decisions made.	As and when decisions are made.
Procurement and spending	To provide a record of expenditure and organisations in receipt of council funding.	Quarterly records of payments to suppliers over £500. Quarterly reports for Tenders, Contracts and Purchase Orders
Performance against key performance indicators	To provide a record of progress made by the council in the delivery of its objectives.	Reported quarterly to Corporate Performance Panel.
Lessons learnt reports	To provide a record of learning activities and areas for improvement.	As and when required from projects.
Annual governance statement which follows the best practice recommended by CIPFA/Solace.	To provide a view on how the council has complied with its Code of Corporate Governance.	Annually with drafts considered by Audit Committee and Management Team.
Risk management updates	To provide a record of major risks facing the council and how it is responding to them.	6 monthly updates considered by Audit Committee and Management Team.
Progress on the corporate business plan and updates on key objectives	To provide a record of priorities and progress made by the council in delivering them.	Reported quarterly to Corporate Performance Panel.
Agendas, minutes and	To provide a record of decisions and information	In line with meeting



Information	Purpose	Frequency
reports	used to reach those decisions.	schedules.

10.2.2 Attention is given to the way in which these documents are written so that they provide the necessary information to meet transparency requirements and support scrutiny without being too onerous to produce and for readers to understand.

### **10.3 Assurance and effective accountability.**

10.3.1 The Internal Audit process helps to drive improvement.

10.3.2 The council complies with CIPFA's [Statement on the Role of the Head of Internal Audit](#) and with [Public Sector Internal Audit Standards](#).

10.3.3 Effective management is based on a framework of regular management information, financial regulations, standing orders and a structure of varying levels of responsibility, including arrangements for delegating decision making. The council has all these elements in place, including those which meet '[The Openness of Local Government Bodies Regulations 2014](#)', and we regularly review these to ensure they remain relevant and fit for purpose.

10.3.4 The council works in partnership at many different levels. Continued participation is reviewed regularly to ensure it remains effective. Decision making in partnerships is governed by the structure outlined within the appropriate constitution. As in one example, the [Norfolk Coast Partnership](#) (a formal partnership with Great Yarmouth Borough Council, North Norfolk District Council, DEFRA and Norfolk County Council) there is a 'Memorandum of Agreement' that outlines how decisions will be made within the partnership.

10.3.5 A [Memorandum of Agreement](#) for the [Wash & North Norfolk Marine Partnership](#), brings together the interests, skills and resources of 21 local authorities, environmental interest groups and national agencies to address matters of mutual interest in and around the Wash is under development.

10.3.6 During the 2021/22 year, the council worked in partnership with Norfolk County Council to support the King's Lynn Town Deal Board, development of the Town Investment Plan and related projects.

10.3.7 The council is working with Homes England and Ministry of Housing, Communities and Local Government on the Accelerated Construction programme.

10.3.8 The council has a [Data Quality Policy and Strategy](#) in place and available on its website. Having this in place indicates that the council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others. It also means that the council ensures that the data produced adheres to the 7 principles of data quality.

10.3.9 The role referred to by CIPFA as the Head of Internal Audit has a critical role in delivering the organisation's strategic aims by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and giving an objective and evidence based opinion on

all aspects of governance, risk management and internal control. The Internal Audit Manager has direct access to the Audit Committee. The arrangements in place for 2021/22 conformed to the requirements outlined in the CIPFA Statement on the Role of the Head of Internal Audit.

- 10.3.10 The Head of Internal Audit is provided via Eastern Internal Audit Services following Fenland District Council's termination of the previous shared arrangement.
- 10.3.11 The council's external auditor during 2021/22 was Ernst & Young.
- 10.3.12 A standalone Audit Committee is in place providing increased opportunity for effective assurance about the adequacy of financial and operational management and reporting.
- 10.3.13 Training has been provided during 2021/22 to the members of the Audit Committee in key areas. An example is for the annual accounts.
- 10.3.14 A Member Major Projects Board provides additional oversight of the operation of the Officer Major Projects Board. The Board met through 2021/22 and has reviewed its terms of reference.

## **11. Review of effectiveness**

- 11.1 The council has a responsibility to review the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit and the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report, the Monitoring Officer's annual report and also by comments made by the external auditors and other review agencies and inspectorates, where undertaken.
- 11.2 In-year and year-end review processes have taken place. In year review mechanisms include:
  - Cabinet and the Corporate Performance Panel are responsible for considering overall financial performance and receives reports on a regular basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
  - The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The council reviews the Constitution regularly to incorporate any necessary changes.
  - The Standards Committee have met regularly throughout the year to consider and review issues relating to the conduct of Members.
  - The Audit Committee has oversight of the activities of the council's internal and external audit functions. Members of the Audit Committee are provided with copies of all reports produced by Internal Audit and the external auditors, and also receive regular reports on matters relating to finance, fraud investigation and risk management.
  - The committee approves the annual plans for the Internal and External Auditors and receives regular progress reports throughout the year.
  - The Audit Manager submits to the committee an annual report and opinion, and the external auditors submit an annual audit letter.

- The Audit Manager has included an audit opinion on the adequacy and effectiveness of the council's systems of internal control in the annual report and opinion on work completed during 2021/22 which was considered by Audit Committee on 20 June 2022. The report states in the Audit Manager's opinion, that:  
 "The overall opinion in relation to the framework of governance, risk management and control at Borough Council of King's Lynn and West Norfolk is reasonable."

### 11.3 The Audit Manager's Annual Report and Opinion 2021/22 presented to Audit Committee on 20 June 2022 stated:

Overall, in 2021/22 a total of 15 Internal Audit assurance audit have been carried out. A total of 14 of these have resulted in a positive assurance grading. As stated within the opinion statement, Internal Audit recommends that the two high, and one medium recommendation raised from the Limited Alive West Norfolk (AWN) audit report are highlighted within the Council's Annual Governance Statement until they are complete. The recommendations are summarised as follows:

- A suite of new SLA's and agreed set of KPI's should be developed for the relevant Service Areas included in the previous SLA. These need to be developed at the earliest possible opportunity and reported to the AWN Board and Council if required.
- Responsible officers from finance and AWN to consider the SLA fees and charges going forward, including any additional costs with a view to amending these to the appropriate values. Budgets should be amended and reflect actual, and agreed, costs rather than expected costs.
- When the Management Agreement is next due for review, consider if it is appropriate for member involvement in decisions of AWN.

In addition to the above-mentioned actions, we recommend that any outstanding medium recommendations from previous limited assurance reports and any high priority recommendations raised that remain unresolved are reflected in the Council's AGS until they have been verified as complete. The following recommendations apply:

#### Planning Control 2020/21 – Limited Opinion Medium Recommendation

- Fees and charges on the website need to be amended to show the correct costs for each area of the service to the customer.
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#### Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation

- Retention schedules need to be introduced for AWN once records and retention processes have been agreed.

#### Child Protection 2019/20 – Substantial Opinion High Recommendation

Property Services to follow the risk assessment procedures set out within the Safeguarding Policy for “High” and “Medium” risk rated tenants and provide the relevant safeguarding information within the Tenant Information Pack.

The council may also wish to disclose that it is committed to reducing the significant number of outstanding internal audit recommendations. This will ensure that good governance can be demonstrated by mitigating the risks that have been identified by internal audit work in a timely manner.

**11.4** The Audit Manager has also completed a review of the effectiveness of the Audit Committee itself. The result will be reported to Cabinet in x and concluded that the committee is performing effectively and the council is meeting its requirements under the Accounts and Audit Regulations 2015.

**11.5** The council’s external auditors review the activities of the authority, approve the annual accounts and certify grant claims (where required). Conclusions and significant issues arising are detailed in various reports from the auditors. Their ‘Audit Results Report – ISA (UK and Ireland) 260’ and the Annual Audit Letter will be considered by the Audit Committee on x. These reports from the external auditors refer to the 2021/22 financial year (the latest available) and they confirmed that [the council had put in place proper arrangements to secure value for money in its use of resources, and that the financial statements gave a true and fair view of the financial position of the council as at 31 March 2022].

- A member/officer protocol is in place and forms part of the council’s constitution.
- Additionally, it is the responsibility of the statutory officers to report to council on any issues concerning the review of the effectiveness of internal control arrangements.

## **12. Areas of special interest in terms of governance**

### **12.1** Leisure arrangements – [Alive West Norfolk](#)

**12.1.1** A wholly owned council company (Alive West Norfolk) has been established that is responsible for the delivery of leisure and cultural services across the borough.

### **12.2** Legal arrangements

**12.2.1** The council’s legal service continued to be delivered via a delegated agreement on an annual, rolling basis, with [Eastlaw](#) (the in-house legal team at North Norfolk District Council). Cabinet agreed on 15 March 2022 to bring the service in-house.

### **12.3** [West Norfolk Housing Company Limited \(WNHC\)](#) (Company number 10368299)

**12.3.1** In August 2016, Cabinet resolved<sup>4</sup> to set up a wholly owned local authority company the main purpose of which is to help meet the council’s statutory housing duties, by holding property that will be purchased and / or leased from the council in order to create and provide affordable housing. The company became a registered provider of social housing in 2018. It operates on a not for profit basis. The council has appointed members and officers to serve as company directors. The company reports to Cabinet.

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<sup>4</sup> 2 August 2016

12.3.2 WNHC is helping to secure investment in new affordable homes in the borough to meet identified need.

12.4 [West Norfolk Property Limited](#) (Company number 11305604)

12.4.1 The 2017 Annual Governance Statement set out governance arrangements for this vehicle to hold new private rented sector stock in the borough. The company, limited by shares, operates primarily to generate new revenue from housing stock developed and held on sites developed by the council. The council has appointed members and officers to serve as company directors. The company reports to Cabinet. A Business Plan and Intra Group Agreement were previously agreed by Cabinet in June 2018. Following agreement of [Cabinet in January 2019](#), the company articles were amended.

12.5 [West Norfolk Wins](#) (local lottery)

12.5.1 The first lottery draw for West Norfolk Wins took place on 26 May 2018. The introduction of a local lottery requires two licences approved by the Gambling Commission. Norfolk Community Foundation provide an independent due diligence review of the approval of good causes.

12.5.2 The Borough Council is a member of the Lotteries Council, the Gambling Commission and Gamble Aware. Gamble Aware funds research, prevention and treatment services to help reduce gambling harm. Gatherwell are the administrator for West Norfolk Wins and have extensive experience in administering council lotteries. The Gambling Commission also requires the council to undertake an annual independent security audit.

12.6 [King's Lynn Town Deal Board](#)

12.6.1 The council's role is to organise the Board and make the governance and decision making structures of the Town Deal Board public. The Government has set out specific requirements about who the Board must include. The council is represented on the Board by two cabinet members.

12.6.2 A Local Assurance Framework sets out the process for decision making. Over the course of 2022/23, a number of business cases to progress elements of the Town Investment Plan will be considered for approval by the Town Deal Board prior to submission to the government. The business cases are required to meet Treasury Green Book standards and require related due diligence. This work will involve the council in various ways including potential land, property and asset matters, scrutiny and oversight, consideration of financial matters and monitoring/evaluation.

### **13. Known changes in the 2022/23 year**

13.1 [Embedding the new risk management framework](#)

The policy and strategy are due to be refreshed and the register will be aligned with the corporate business plan and rationalised. Reviews will be increased from two to three times per year. Related training for members and officers required to promote the policy and the application of the strategy.



- 13.2 Governance framework for the council's companies  
Complete the review of the governance framework of the council's wholly owned companies and provide company director training for directors appointed to its companies.
- 13.3 To embed arrangements for record management and processing  
Assurance work regarding GDPR.
- 13.4 Ongoing development of the financial ledger  
To further embed and develop the financial ledger software's operational and reporting processes.
- 13.5 Preventing Fraud and Corruption  
To support joint working with Department of Work and Pensions and participate in the Norfolk Counter Fraud Hub.
- 13.6 Member development needs  
Delivery of member induction programme and identification of development needs.
- 13.7 Bringing Legal Services in-house  
To transfer the function from Eastlaw including related staff recruitment and data transfer.
- 13.8 Outstanding medium recommendations from previous limited assurance reports and any high priority recommendations  
To progress the following recommendations:
- Planning Control 2020/21 – Limited Opinion Medium Recommendation
  - Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation
  - Child Protection 2019/20 – Substantial Opinion High Recommendation
- 13.9 Town Deal Board governance  
To support the effective governance of the Town Deal Board, Local Assurance Framework, business case development and ongoing monitoring/evaluation.
- 14. Covid-19 response**
- 14.1 The Covid-19 pandemic required the council to act swiftly to support the local community and protect the safety of its staff, councillors and customers. The first wave in late 2019/20 had minimal impact on the governance arrangements however, the ongoing scale of the subsequent response to later waves and national measures into 2021/22 resulted in a rapid move to virtual meetings, increased flexible working arrangements, redeployment of staff, reductions in some services due to social distancing, related Covid 19 safe working practices and national guidance and reduced scope for policy development.
- 14.2 Alongside partners on the Norfolk Resilience Forum, every effort has been made to maintain a business as usual approach and to maintain the delivery of key services to residents. During the required lockdown period, the council was able to consider

urgent matters and decisions through its urgent decision procedure rules and arrangements. Legislative changes have enabled remote meetings and the council responded quickly and effectively to this with meetings recommencing following the Government's announcement and all committees were operational. The majority of staff were required to work from home, where possible, which has proven to have worked effectively, with no significant disruption to critical services or information security breaches. Other teams, such as those in enforcement, were refocused to support the provision of Covid-19 safe activities across the borough and the vaccination programmes.

- 14.3 The response also required the development of new functions involving the processing of new Government grants and rate reliefs to businesses and support services for vulnerable residents.
- 14.4 Despite the breadth and pace of the response, Covid-19 has not led to any significant weakness in the Council underlying governance arrangements in 2021/22.
- 14.5 Although the national restrictions were gradually removed in the latter part of 2021/22, it is essential that the council focuses on the likely impact that the crisis, and its aftermath, will have on income levels both now and potentially into the future. The council is aware of issues that could affect its financial position such as reduced income streams arising from commercial investments, properties and services, delays and arrears in payments for chargeable services and ongoing Covid-19 related additional costs to support safe working practices such as PPE and sanitizing materials.

## **15. Ukraine Crisis**

- 15.1 The invasion of Ukraine by Russia on 24 February 2022 triggered a humanitarian crisis. Councils prepared to assist and help new arrivals from Ukraine settle in the UK and to support communities who wish to offer assistance to those fleeing the devastating conflict. Council support will be central in helping families settle into their communities and access public services.
- 15.2 The Government launched a Homes for Ukraine Scheme in March 2022. A broad range of support has been developed and summarized on the Council's [website](#).

## **16. Cost of living crisis**

- 16.1 Inflation has emerged as a significant issue in many economies and has been exacerbated by Covid-19, the war in Ukraine and rising interest rates. The Bank of England is forecasting a UK recession in 2023.
- 16.2 The fall in 'real' disposable incomes has an impact upon council services and the community it serves. In addition to national measures, the council will develop a local response in 2022/23.

## **17. Action Plans**

- 17.1 In the Annual Governance Statement for 2020/21, an action plan for 2021/22 was set out to deal with governance issues identified during the review for that year and is attached at Appendix A.
- 17.2 The action plan for 2022/23 is attached at Appendix B.

## **18. Assurance summary**

- 18.1 From the review undertaken, the assessment and ongoing monitoring work completed<sup>5</sup> 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.
- 18.2 No system of internal control could provide absolute assurances against material misstatement or loss; this statement is intended to provide reasonable assurance. We are satisfied that an on-going process for identifying, evaluating and managing key risks exists. These risks are reflected in the audit plan, the Corporate Risk Register and are the subject of separate reports during the course of the year.
- 18.3 We propose over the coming year to take steps to address matters identified to further enhance our governance arrangements. We are satisfied that the steps outlined at Appendix B will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

### ***Signed:***

Cllr Stuart Dark MBE  
Leader of the Council  
Date:

Lorraine Gore  
Chief Executive  
Date:

Cllr Ian Devereux  
Chair of the Audit Committee  
Date:

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<sup>5</sup> By the Audit Committee during 2019/20

## Appendix A - Action plan for the 2021/22 year

Item		Action	Responsible Officer	Target Date	Update – October 2022
1	Internal Audit	Agreement with Eastern Internal Audit Services for the provision of Internal Audit Services	Assistant Director - Resources	June 2021	Interim arrangement in place until final agreement signed in November 2021. New arrangements implemented and working well.
2	Waste contract monitoring systems	Implementation of new systems related to: Waste collection contract Garden waste contract	Waste & Recycling Manager	Mar 2022	April 2022 updated software system for waste management became live and is working as expected.
3	Care and Repair contract monitoring systems	Implementation of new systems relating to Care and Repair contract	Assistant Director –	Mar 2022	Process developed and includes a performance measure for each contract. New monitoring role created to support the system administration and to be recruited to in autumn 2022.
4 <sup>6</sup> 5	High Street Heritage Action Zone	High Street Heritage Action Zone, HAZ Project officer recruitment and programme management	Assistant Director – Regeneration, Housing and Place	Mar 2022	High Street HAZ programme did not proceed as Heritage England withdrew the funding offer. The HAZ programme is in the process of being formally closed.
5	Housing Delivery Test – Action Plan	Implementation of actions falling within 2021/22	Assistant Director - Environment & Planning	Mar 2022	The latest HDT was formally announced in January 2022, and was passed (96%), therefore no further action was required.
6	Community Infrastructure Levy	12 month review of Community Infrastructure Levy proposed governance and spending arrangements	Assistant Director - Environment & Planning	November 2022	Revised governance arrangements were agreed by Cabinet on 2 August 2022 and will be implemented for future applications in 2023.
7	Public Services Network (PSN) compliance	Ensure PSN compliance during 2021/22 including progressing any actions identified as a result of the 2020 audit.	Assistant Director - Resources	March 2022	PSN compliance across Local Authorities is being reviewed by Central Government currently. However, we still retain the major element of an ICT health check and are in the process of bringing in National Cyber Security Centre approved CHECK assessors for 2022.
8	Governance framework for the	Review the governance framework of the council's wholly owned	Chief Executive	March 2022	Report received from Anthony Collins Solicitors July 2022 and under consideration by Cabinet. Review was delayed

Item		Action	Responsible Officer	Target Date	Update – October 2022
	council's companies.	companies.			pending publication of relevant guidance by CIPFA in May 2022. Company governance review action plan to be considered by Cabinet on 15 November 2022.
9	Training for the council's appointed directors on the role and responsibilities of a company director.	To provide company director training for directors appointed to its companies.	Chief Executive	March 2021	See line 8 above. Will follow from Cabinet's decisions.
10	Assurance work regarding the Annual Governance Statement.	To support the Internal Audit review of the council's approach to developing the annual governance statement.	Assistant to the Chief Executive	March 2022	Ongoing. Amendments made to the AGS for 2021 and 2022.
11	Embedding of the new financial ledger.	To implement and embed the operational processes of the new financial ledger software.	Assistant Director - Resources	March 2022	The new financial system went live in April 2020 just as the initial Covid restrictions were put in place. A number of issues emerged on the system which took time and resource to resolve. Training has been focussed on specific areas and is now being more widely delivered (with a training development programme being devised and modules to support it). Other system development work is being considered as part of an improvement plan.
12	Norfolk Fraud Hub	To support joint working with DWP and participate in the Norfolk Counter Fraud Hub.	Assistant Director - Resources	March 2022	<p>Some FraudHub members are currently having difficulties in resourcing fraud areas. The lead sponsor, Norfolk County Council, has recently agreed to a further 2 financial years funding of the FraudHub. However, there has been no recent meeting held with the Norfolk FraudHub Steering Group. This is due to the impact from the pandemic and other workstreams continuing as a result of it. Funding has been agreed through the lead sponsor to continue with the Single Person Discount (SPD) review project for the current financial year 2022/2023.</p> <p>DWP joint working has now resumed following the Covid-19 pandemic and the redeployment of many of the DWP investigation Team. Contact has recently been received</p>

Item		Action	Responsible Officer	Target Date	Update – October 2022
					on a case for joint working purposes.
13	English Devolution and Local Recovery White Paper	To consider the white paper on English Devolution and Local Recovery.	Chief Executive	March 2022	White Paper revised and The Levelling Up and Regeneration Bill was published on 11 May 2022. Two bids submitted for Levelling Up funding for the geographic borough; one by BCKLWN and another by Norfolk County Council.
14	Develop revised media protocols.	To develop revised social media protocols.	Assistant Director – Central Services	March 2022	Rescheduled to December 2023 to link with the review of practices after the forthcoming borough elections.
15	Equalities training programme	Development of a training programme to support the equalities policy.	Assistant Director – Central Services	March 2022	Programme development and delivery rescheduled to March 2023.
16 97	Service level agreements	To review service level agreements covering: <ul style="list-style-type: none"> <li>• Alive West Norfolk</li> <li>• EastLaw</li> </ul>	Assistant to the Chief Executive	March 2021	Ongoing and included within the company governance review action plan to be considered by Cabinet on 15 November 2022.
		To review service level agreements covering: <ul style="list-style-type: none"> <li>• Norfolk Museum Service</li> </ul>	Assistant Director - Regeneration, Housing and Place	March 2021	Aspects reviewed but not the SLA in the round – needs to be completed and included in the AGS action plan for 2022/23.



## Appendix B - Action plan for the 2022/23 year

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Item		Action	Responsible Officer	Target Date	Update – October 2022
1	Executive and Scrutiny Protocol	12 month review of protocol.	Assistant Director - Legal Services & Licensing	Mar 2023	Ongoing.
2	Community Infrastructure Levy	12 month review of Community Infrastructure Levy proposed governance and spending arrangements	Assistant Director - Environment & Planning	Nov 2022	Revised governance arrangements were agreed by Cabinet on 2 August 2022 and will be implemented for future applications in 2023.
3	Public Services Network (PSN) compliance	Ensure PSN compliance during 2021/22 including progressing any actions identified as a result of the 2020 audit.	Assistant Director - Resources	Mar 2023	PSN compliance across Local Authorities is being reviewed by Central Government currently. However, we still retain the major element of an ICT health check and are in the process of bringing in National Cyber Security Centre approved CHECK assessors for 2022.
4	Governance framework for the council's companies.	Review the governance framework of the council's wholly owned companies.	Chief Executive	Mar 2023	Report received from Anthony Collins Solicitors July 2022. Review was delayed pending publication of relevant guidance by CIPFA in May 2022. Company governance review action plan to be considered by Cabinet on 15 November 2022.
5	Training for the council's appointed directors on the role and responsibilities of a company director.	To provide company director training for directors appointed to its companies.	Chief Executive	Mar 2023	See line 4 above.
6	Assurance work regarding the Annual Governance Statement.	To support the Internal Audit review of the council's approach to developing the annual governance statement.	Assistant to the Chief Executive	Mar 2023	Ongoing. Amendments made to the AGS for 2021 and 2022. The length of the draft AGS 2022 is comparably shorter than previous documents.
7	Ongoing development of the new financial ledger.	To enhance and develop the operational processes of the new financial ledger software.	Assistant Director - Resources	Mar 2023	The new financial system went live in April 2020 just as the initial Covid restrictions were put in place. A number of issues emerged on the system which took time and resource to resolve. Training has been focussed on specific areas and is now being more widely delivered (with a training

Item		Action	Responsible Officer	Target Date	Update – October 2022
					development programme being devised and modules to support it). Other system development work is being considered as part of an improvement plan.
8	Norfolk Fraud Hub	To support joint working with DWP and participate in the Norfolk Counter Fraud Hub.	Assistant Director - Resources	Mar 2023	<p>Some FraudHub members are currently having difficulties in resourcing fraud areas. The lead sponsor, Norfolk County Council, has recently agreed to a further 2 financial years funding of the FraudHub. However, there has been no recent meeting held with the Norfolk FraudHub Steering Group. This is due to the impact from the pandemic and other workstreams continuing as a result of it. Funding has been agreed through the lead sponsor to continue with the Single Person Discount (SPD) review project for the current financial year 2022/2023.</p> <p>DWP joint working has now resumed following the Covid-19 pandemic and the redeployment of many of the DWP investigation Team. Contact has recently been received on a case for joint working purposes.</p>
9	Develop revised media protocols.	To develop revised social media protocols.	Assistant Director – Central Services	Mar 2023	Rescheduled to December 2023 to link with the review of practices after the forthcoming borough elections.
10	Equalities training programme	Development of a training programme to support the equalities policy.	Assistant Director – Central Services	Mar 2023	Programme development and delivery rescheduled to March 2023.
11	Legal Services	To transfer the function from Eastlaw including related staff recruitment and data transfer.	Assistant Director - Legal Services & Licensing ; Assistant to the Chief Executive	Mar 2023	Assistant Director for Legal & Licensing appointed. Recruitment commenced.
12	Town Deal	To enhance the Local Assurance Framework and governance related to the King's Lynn Town Deal	Assistant Directors: Regeneration, Housing and Place;	Mar 2023	Engagement with panels and Cabinet on draft business cases. Compliance with DLUHC annual assurance requirements. LAF reviewed by Cabinet

Item		Action	Responsible Officer	Target Date	Update – October 2022
		Board.	Legal Services & Licensing; Resources.		on 10 August 2022. Internal Audit review of Towns Fund management and Governance Arrangements undertaken in September 2022. Ongoing advice from Monitoring Officer to Town Deal Board on governance matters including conflicts of interest matters.
13	Risk management training	Provision of training for officers and members to embed the refreshed risk management framework.	Assistant to the Chief Executive	Mar 2023	Cabinet agreed a refreshed policy and strategy on 26 September 2022. Training approach to be developed and implemented.
14	Outstanding medium recommendations from previous limited assurance reports and any high priority recommendations	To progress the following recommendations: <ul style="list-style-type: none"> <li>• Planning Control 2020/21 – Limited Opinion Medium Recommendation</li> <li>• Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation</li> <li>• Property Services- Child Protection 2019/20 – Substantial Opinion High Recommendation</li> </ul>	Assistant Director - Environment & Planning  Senior Information Risk Officer  Assistant Director – Property and Projects	Mar 23  Mar 23  Mar 23	Updates required.
15	Cost of living crisis	Development of a local response to the cost of living crisis.	Assistant to the Chief Executive	Mar 23	Officer working group being established. Council Tax Energy Rebate distributed including a discretionary payment for vulnerable people. Promotion of Solar Together Norfolk to encourage residents to install solar PV/batteries as a way of reducing energy bills in the longer term in addition to reducing carbon emissions. “Beat your Bills” events held across the borough.

**Appendix C - Corporate Governance has been weaved through all functions of the Council including but not limited to those listed in this table.**

<b>Policies, Strategies, Rules &amp; Codes</b>	<b>Processes and Frameworks</b>	<b>Key documents</b>	<b>Functions</b>
<ul style="list-style-type: none"> <li>• Anti-Fraud and Anti-Corruption Strategy</li> <li>• Capital Strategy</li> <li>• Code of Conduct</li> <li>• Computer usage policy</li> <li>• Constitution</li> <li>• Data Protection Policy</li> <li>• Data Quality Policy &amp; Strategy</li> <li>• Efficiency Plan</li> <li>• Employment rules</li> <li>• Equality policy</li> <li>• Financial Plan</li> <li>• Financial procedure rules and standing orders (within Constitution)</li> <li>• Financial regulations</li> <li>• Health, Safety &amp; Welfare Policy</li> <li>• ICT policies</li> <li>• Information Governance Policies</li> <li>• Information Risk Policy</li> <li>• Medium Term Financial Strategy</li> <li>• Member/Officer protocol</li> <li>• Members' allowances scheme (Constitution)</li> <li>• Members' code of conduct (Constitution)</li> <li>• Members Code of Good Practice for Planning</li> <li>• Officers' code of conduct (Constitution)</li> <li>• Pay policy statement</li> <li>• Procedure rules (contracts, employment, meetings) (Constitution)</li> <li>• Procurement regulations</li> <li>• Procurement strategy</li> <li>• Protocol on member / officer relations (Constitution)</li> <li>• Prudential Code</li> <li>• Record Retention and Disposal Policy</li> <li>• Risk Management Policy &amp; Strategy</li> <li>• Safeguarding Policy</li> <li>• Scheme of Delegation (within Constitution)</li> <li>• Statement of Community Involvement</li> <li>• Travelling abroad with Council devices policy</li> <li>• Terms of reference for task groups</li> <li>• Treasury Management Policy statement</li> <li>• Whistleblowing policy</li> <li>• Workforce learning and development</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmarking</li> <li>• Budget consultation</li> <li>• Budget process</li> <li>• Business continuity framework</li> <li>• Car Park Management</li> <li>• Civil Parking Enforcement</li> <li>• Competency frameworks</li> <li>• Complaints process</li> <li>• Corporate Business Plan</li> <li>• Customer Care Standards</li> <li>• Customer feedback process</li> <li>• Disciplinary / Grievance procedures</li> <li>• Environment policy</li> <li>• Environmental Statement</li> <li>• EQIA policies</li> <li>• Equality Monitoring</li> <li>• Extended Managers Meetings</li> <li>• Health and Safety policy</li> <li>• Induction process (member and officer)</li> <li>• Internal Audit Strategic Plan</li> <li>• Job evaluation process</li> <li>• Legal Services</li> <li>• Managing performance (people) framework (including appraisal process)</li> <li>• Meeting timetable</li> <li>• Member allowances publication</li> <li>• Member training</li> <li>• MRF Partnership Care &amp; Repair</li> <li>• MT/Union meetings</li> <li>• Officer membership of professional bodies</li> <li>• Performance Management (business) framework</li> <li>• PRP targets</li> <li>• Risk management process</li> <li>• Scrutiny framework (Constitution)</li> <li>• Senior Staff Salary publication</li> <li>• Staff Briefing</li> <li>• Training for chairmen and vice-chairmen</li> </ul>	<ul style="list-style-type: none"> <li>• Agendas &amp; Minutes</li> <li>• Alive Trust/Management</li> <li>• Annual audit letters</li> <li>• Annual Directorate Plans</li> <li>• Annual Governance Statement</li> <li>• Assurance Statements</li> <li>• CCTV Operating Manual</li> <li>• CNC Building Control</li> <li>• Committee reports, agendas and minutes</li> <li>• Complaints reports</li> <li>• Consultation register</li> <li>• Corporate Risk Register</li> <li>• Council tax booklet</li> <li>• Council website</li> <li>• Delegation Agreement &amp; SLA</li> <li>• Employee Handbook</li> <li>• Enforcement Policy</li> <li>• External inspection / review Reports</li> <li>• Fraud Response Plan</li> <li>• Harassment Procedure</li> <li>• Internal Affairs</li> <li>• Intranet</li> <li>• JNC terms &amp; conditions</li> <li>• Job descriptions/specs</li> <li>• Key decisions (within Constitution)</li> <li>• Law &amp; governance</li> <li>• Local Plan</li> <li>• Members Bulletin</li> <li>• Neighbourhood Development Plans</li> <li>• Publication Scheme (FOI)</li> <li>• Quarterly Performance Reports</li> <li>• Record of decisions</li> <li>• Register of Disclosable Pecuniary Interests</li> <li>• Report templates</li> <li>• Salary scales</li> <li>• Senior management remuneration report</li> <li>• Service level agreements</li> <li>• Service plans</li> <li>• Standard timetable for circulation of agendas</li> <li>• Statement of Accounts</li> <li>• Statement of Internal Control (part of AGS)</li> <li>• Timetable of council meetings</li> <li>• Training programmes</li> <li>• Transparency publications</li> <li>• West Norfolk Partnership</li> <li>• Workforce development and Plans</li> <li>• Working Protocol</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Community Information Points</li> <li>• Democratic Services</li> <li>• External audit (and other reviews)</li> <li>• Finance service</li> <li>• Functions and responsibilities of senior officers and councillors (within Constitution)</li> <li>• Head of Paid Service</li> <li>• Health and Safety Officer</li> <li>• ICT Development Group</li> <li>• Independent remuneration panel</li> <li>• Internal Audit</li> <li>• Local Government Ombudsman (report)</li> <li>• Management Team</li> <li>• Member Major Projects Board</li> <li>• Monitoring Officer</li> <li>• Monitoring Officer report</li> <li>• Officer Major Projects Board</li> <li>• Policy Development and Review Panels</li> <li>• Policy, Performance and Personnel Services</li> <li>• PR/Communication</li> <li>• S151 officer</li> <li>• Social media</li> <li>• Standards Committee</li> <li>• Statutory reports</li> <li>• Terms of reference for committees (Constitution)</li> <li>• Website</li> <li>• Weekly CEO/Leader meetings</li> </ul>

**Appendix D – Governance is also embedded in our Joint , Contracted in and/or out Partnership Working. The list of such Partners are contained in this table.**

***Partnerships/joint working***

- College of West Anglia via Lynnsport
- Improving Educational Attainment Steering Group
- King's Lynn Area Consultative Committee
- Kings Lynn Business Improvement District
- King's Lynn Town Deal Board
- Lily
- New Anglia LEP
- Norfolk Arts Forum Executive
- Norfolk Business Rates Pool
- Norfolk Climate Change Partnership
- Norfolk Coast Partnership Management Group
- Norfolk Community Safety Partnership
- Norfolk Community Safety Scrutiny Sub-Panel
- Norfolk Counter Fraud Hub
- Norfolk Health and Wellbeing Board
- Norfolk Health Overview and Scrutiny Committee
- Norfolk IHAT strategy group (Integrated Housing Adaptations Team)
- Norfolk Joint Museums and Archaeology Committee
- Norfolk Local Authority Tourism Group
- Norfolk Parking Partnership
- Norfolk Parking Partnership Joint Committee
- Norfolk Police and Crime Panel
- Norfolk Rail Policy Group
- Norfolk Records Committee
- Norfolk Resilience Forum
- Norfolk Waste Enforcement Group
- Norfolk Waste Partnership
- Norfolk Serious and Organised Crime Group
- Norfolk Strategic Housing Partnership
- North Norfolk and Breckland district councils – waste and recycling contract procurement
- Operational Partnership Team (community safety)
- Wash East Coastal Management Strategy Stakeholder Forum
- West Norfolk and King's Lynn Girls School Trust
- West Norfolk Chamber of Commerce Council
- West Norfolk Community Transport Project
- West Norfolk Partnership
- West Norfolk Tourism Forum

***Wholly owned council companies***

- Alive West Norfolk
- West Norfolk Housing Company Limited
- West Norfolk Property Limited

***Contracted out services***

- Alive West Norfolk - Leisure, culture and sports development services
- Bedford Borough Council – Payroll processing
- Eastlaw – Legal services
- Gatherwell Limited - West Norfolk Wins lottery
- Serco - Waste and recycling collection
- Lovell Partnerships Ltd - Major Housing Contract
- 17 contractors - Care and Repair aids and adaptations work
- Herefordshire Housing Ltd - Careline alarm monitoring contract (expired March 2021)
- Lifeline 24 Ltd - Careline alarm monitoring contract (10 April 2021)

- Greenworld Sales Ltd - Garden waste composting (April 2021)
- Eastern Internal Audit Services - Internal Audit Management (June 2021)

### ***Shared services***

- Internal Audit Manager – Fenland District Council (expired June 2021)

### ***Services we provide for other councils***

- On and/or off street parking services/administration in Great Yarmouth, South Norfolk, North Norfolk, Breckland and Broadland areas
- CCTV - Breckland, Norfolk County Council and Great Yarmouth
- Management of Disabled Facilities Grants – Breckland District Council (ended March 2021) and Fenland District Council
- Strategic housing – Breckland District Council
- Careline Services – North Norfolk District Council
- Procurement – Boston Borough Council



## Glossary of terms

Annual Governance Statement (AGS)	The Annual Governance Statement which describes how corporate governance arrangements have been working for a period of time indicated. It is a public report by the council on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.
Audit Committee	The Audit Committee considers the council's governance arrangements and ensures that the financial affairs of the council are properly conducted.
Budget	The estimate of income and expenditure for a set period of time, for the council this covers the financial year 1 April until 31 March each year and includes all the financial resources allocated to different services and projects.
Capital Programme	This identifies agreed capital schemes, showing the total cost of schemes and the projected phasing of those schemes over current and future financial years.
Code of conduct	The Code sets the standards and behaviour expected of councillors and co-opted members.
Code of Corporate Governance	The Code of Corporate Governance describes the arrangements in place to ensure that the council conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
Constitution	The council's constitution contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules. The constitution also contains the policies for anti-fraud and corruption, anti-bribery and whistleblowing.
Corporate Business Plan	This document details the vision, priorities and objectives of the organisation.
Corporate Risk Register	This is a formal record of the major risks facing the council and the mitigating actions to reduce the risk.
Data Protection Act 2018	The Data Protection Act 2018 and associated General Data Protection Regulations which came into force in May 2018. This strengthens the regulatory environment for data owners, controllers and processors and aligns legislation with other European countries.
Data Protection Officer	A Data Protection Officer (DPO) is a role required by GDPR. Data Protection Officers are responsible for overseeing data protection strategy and implementation to ensure compliance with GDPR requirements.
Extended Management Team	Comprises the Chief Executive, Executive Directors, Assistant Directors and Service Managers.
Governance	Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.
Head of Paid Service	The most senior officer with overall responsibility for the management and operation of the council. Also known as the Chief Executive.
Internal Audit	This is an independent, objective assurance and consulting activity designed to add value and improve the council's operations.
Licensing Committee	Committee of councillors that undertake all licensing and gambling functions, powers and duties conferred on the council under the Licensing Act 2003 and the Gambling Act 2005.
Local Plan	A Local Plan sets out the local planning policies and identifies how land is used, determining what will be built where. Once a local plan

	becomes adopted it provides the framework for development within an area.
Management Team	Comprises the Chief Executive and Executive Directors.
Medium Term Financial Strategy	The council's key financial planning document. It aims to provide the council with an assurance that the spending plans are affordable over the medium term (five years). The MTFS includes a five year budget forecast that is reviewed annually as part of the budget setting process.
Monitoring Officer	The officer charged with ensuring that everything that the council does is fair and lawful.
Performance Indicators	A measurable value that demonstrates how effectively the organisation is achieving against its key objectives
Planning Committee	Committee of councillors that sit as the local planning authority to determine planning applications (not delegated to officers).
Policy Framework	The plans and strategies, which have been adopted by the Full Council in accordance with which the Leader of the Council, Cabinet, policy development panels, committees and officers must operate.
Risk Management	This is an important part of both corporate governance and performance management. It allows the council to avoid problems and failures, rather than just reacting to them when they arise. It helps the council to identify where it needs to focus its efforts and resources, to exploit more opportunities and suffer fewer failures.
Scheme of delegation	This sets out how the Cabinet and full Council have delegated their executive and non-executive powers.
Section 151 Officer	The officer responsible for the administration of the financial affairs of the council (under section 151 of the Local Government Act 1972). Also known as the Chief Finance Officer.
Statement of Accounts	The Statement of Accounts show, in financial terms, the performance of the council for the year indicated. It is a statutory publication produced in accordance with legislative requirements and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom.

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	21 November 2022		
TITLE:	Rationalised Corporate Risk Register		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE**

PURPOSE OF REPORT/SUMMARY:
This report presents the proposed rationalised corporate risk register.
KEY ISSUES:
A rationalisation review with Management Team has proposed to reduce the number of risks from forty to fourteen. The strategically focused register also includes risk actions which evidence the register is used as a management tool for driving mitigation and improvement.
OPTIONS CONSIDERED:
Not applicable.
RECOMMENDATIONS:
Members are requested to consider:  a) the proposed rationalised Corporate Risk Register and confirm agreement with Management Team's assessment of the risks to the corporate business plan.
REASONS FOR RECOMMENDATIONS:
In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The Risk Management Policy and Risk Management Strategy covering this reporting period were approved by Council in October 2022.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk.
- 1.3 The previous Corporate Risk Register has a high number of individual risks. Audit Committee observations and comparisons with other local authorities has indicated a need to rationalize the register with a strategic focus.

### **2. Changes to the Corporate Risk Register**

- 2.1 Management Team considered the August 2022 update of the register and a proposed rationalized framework. The proposed risks have been worked up to form the draft register. The text from the previous risks has been amalgamated and partly condensed. The previous risks have been used as sub-headings for transparency purposes. This forms the baseline for future and more succinct updates that will be developed in forthcoming reviews of the risks and related processes.
- 2.2 Appendix A provides a summary of those risks on the 5 by 5 risk matrix.
- 2.3 Appendix B provides a summary of how the previous risks have been assimilated to form the proposed rationalized corporate risk register.
- 2.4 Internal Audit's Risk Maturity Assessment (May 2022) recommended that the risk register includes information regarding the treatment approach for each risk i.e. "Avoidance, Transfer, Mitigate, and Acceptance". These have been included in the proposed register.

### **3 Corporate Priorities**

- 3.1 The Corporate Risk Register is aligned with the previous Corporate Business Plan. Following the development of directorate plans, the register is aligned with the corporate business plan agreed in November 2021.

### **4 Policy Implications**

- 4.1 The updated register reflects emerging policy development related to climate change.

### **5 Financial Implications**

- 5.1 The Corporate Risk Register is designed to assist senior management to identify and manage any financial implications identified through normal operations.

### **6 Personnel Implications**

- 6.1 None.

### **7 Statutory Considerations**

- 7.1 Account and Audit Regulations 2015 - s3(c). The council must ensure that it has 'effective arrangements for the management of risk'.

## **8 Equality Opportunity Considerations**

8.1 None

## **9 Risk Management Implications**

9.1 The council has in place a Risk Management Policy and Strategy.

9.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the council's objectives. It is a tool used by Management Team to help manage risk across the authority and is a key document within the governance controls applied within the council.

## **10. Environmental Implications**

10.1 The risk register includes a number of climate change and environmental risks covering Business continuity, Flood management and coastal erosion and Carbon emissions.

## **11 Recommendations**

11.1 Members are requested to:

- a) consider the contents of the rationalised risk register;
- b) confirm agreement with Management Team's review of the register:

## **12.0 Declarations of Interest / Dispensations Granted**

12.1 None.

## **Background Papers**

Previous Corporate Risk Registers reported to Audit Committee  
Risk Management Policy and Strategy

## APPENDIX A - Risk Matrix

### Rationalised register

LIKELIHOOD	5 Almost Certain	(Green)	(Orange)	(Red)	(Red)	(Red)
	4 Likely		(Green)	(Orange)	(Red)	(Red)
	3 Possible		(Green)	(Green)	(Orange)	(Red)
	2 Unlikely			(Green)	(Green)	(Orange)
	1 Rare					(Green)
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme

### IMPACT

<b>15-25 Very High Risk – immediate action</b>	<b>10-12 High Risk – Senior Management attention</b>
SR1 – Financial sustainability SR3 – Facilitating and enabling growth SR4 – Community issues SR9 – Organisational change SR14 – Cost of living	SR2 – Significant programmes/projects SR5 – Continuity of service SR6 – Data management and security SR7 – Corporate governance SR8 – Reputation management SR10 – Climate change mitigation and adaptation SR11 – Statutory compliance SR12 – Council owned companies SR13 – Contract/ Supply failure



## APPENDIX B – ASSIMILATION OF PREVIOUS CORPORATE RISK REGISTER

Example rationalised strategic and corporate risk		Existing Corporate Risk Register item
1. Financial sustainability	Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases	1.2 Cost management and income generation 1.10 Financial Plan 1.11 Pension fund 1.12 Business rates 1.21 Rapidly rising costs
2. Significant programmes/projects	Impact on the delivery of council services due to the failure of major programmes/projects. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.	1.4 Due diligence 2.3 Major housing developments 2.8 Accelerated Construction Programme 2.9 Major projects programme
3. Facilitating and enabling growth	The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.	2.1 Local employment 2.2 Empty retail properties/town centre decline 2.4 5 year land supply, housing delivery and housing delivery test 2.5 Housing market 2.6 Strategic land and property acquisition 2.7 West Winch/North Runcion Strategic Growth Area 5.3 Improvements to heritage buildings
4. Community issues	The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.	5.1 Community relations 4.2 Preventing homelessness 1.18 Conflicting aims (with partners) 1.20 Covid-19
5. Continuity of service	The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.	1.1 Business continuity 6.2 Emergency response (external)
6. Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or	1.5 Loss of ICT 1.6 ICT failure of back up 1.14 Cyber security attack

Example rationalised strategic and corporate risk		Existing Corporate Risk Register item
	business critical information or breach of information governance legislation.	
7. Corporate Governance	The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.	1.4 Due diligence 1.8 Fraud and corruption 1.16 GDPR
8. Reputation management	The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver corporate business plan.	1.3 Reputation management 5.2 Council reputation
9. Organisational change	Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.	1.7 Capacity 1.13 Channel shift 1.15 Pay policy
10. Climate change mitigation and adaptation	Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.	3.1 Flood management and coastal erosion 3.2 Carbon emissions
11. Statutory compliance	Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations	Broadened scope of risk 6.3 Health and Safety.  Plus other statutory duties.
12. Council owned companies	Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.	Broadened scope of risk 6.1 Provision of leisure and cultural services.
13. Contract/ Supply failure	Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	Broadened scope of 1.19 Waste and Recycling Contract.

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			Impact		Likelihood		Score	Impact	Likelihood			Score	Impact	Likelihood		Score	
SR1	Financial sustainability	Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.  Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance	Extreme	5	Almost certain	5	25	<u>Cost management and income generation</u> 1. Actively involve staff and Members in designing the cost management programme. 2. Maintain open channels of communication on plans/ proposed changes. 3. Keep staff and members informed of how the budget reductions are being managed. 4. Budget monitoring reports. 5. Finance is a standing item on Management Team and Cabinet Briefings to align with the annual financial estimates cycle. 6. Cost management programme. <u>Financial Plan</u> 1. A review of the costs and provision of all services will continue with the aim of mitigating costs where possible and other opportunities to improve the financial position. 2. Attendance at consultation updates from LGA / DLUHC / CIPFA. 3. Budgets will be monitored/reported against estimates on a regular basis. 4. Balanced and funded budget to 2024/25. 5. Capital and property investment strategy and related monitoring process. 6. Planned and unplanned savings transferred to General Fund balance to adapt to reduction in central government funding. 7. Cabinet and Management Team away days to focus on financial management. 8. Budget presentations to council panels. 9. Approach to budget setting and workshop themes (reviewing fees and charges, income generation, salaries, community benefit and staff engagement) including wider engagement with elected members. 10. Reviewing earmarked reserves to ensure we have sufficient funds to deliver corporate objectives. <u>Pension Fund</u> 1. 3 year valuation and 30 year plan. 2. Because from the Pension Fund's aspect the council's funding strategy is classed as being ongoing, and a very long time horizon (30+ years) and is a secure employer the Pension Fund can allow the Council to make stabilised contributions, which in effect smoothes the contribution profile so that it isn't subject to great peaks and troughs in contribution rates. The council can then budget with more certainty and consistency. One-off lump sum payments can also be paid at the start of the 3 year valuation period which secures savings for the Council.This can then be accounted for and budgeted for over the 3 year period. <u>Business rates</u> 1. Reserves created for measurable risks and membership of the Norfolk Business Rates Pool. 2. Continue to monitor potential areas of risk and work with LGA and business rates specialists where possible. 3. Continue working with major businesses to reduce the possibility of closure. 4. VOA has changed its appeal process - now check, challenge and appeal, which seems to have reduced the number of appeals coming through. although it is still early days with this new process so reserves have been maintained at existing levels.Appeals for the 2017 list are due to close in 2023 which will lead to a peak in numbers. 5. S31 grant provided to offset shortfall in income. 6. Business Rates revaluation being undertaken in 2023, grant anticipated to cover losses to the council.  <u>Rapidly rising costs</u> 1. Cost management and income generation activities. 2. Descoping elements of projects. 3. Phasing of projects. 4. Use of external funding for projects. 5. Installation of efficient heating and lighting systems. 6. Generation of electricity through solar PV. 7. Lobbying through LGA/DCN for funding settlement. 8. Revisit financial plan to account for cost increases. 9. Use of some earmarked reserves. 10. Ongoing monitoring of issues and advice from Treasury experts. 11. Robust contracts. 12. Provision of inflation within cost plan estimates for projects e.g. major housing projects. Towns Fund projects. 13. Hybrid working policy enables some employees and members to minimise travel costs. 14. Advantageous funding agreements with third parties e.g. New Anglia LEP.	Major	Almost certain	20	New	<u>Cost management and income generation.</u> Estimates timetable includes workshops with officers/members. Requirement to help address budget gap. Draft budget estimates timetable and programme considered by Management Team and Cabinet, May 2022, working through delivery of the plan. Some slippage on timescales due to other priorities. <u>Financial Plan</u> Clarity of the impact of the Fair Funding Review 2020 and Business Rates Retention awaited and remain a concern. Proposals to fund local government via business rates retention reforms remain a risk. Sector and Treasury Management advice in light of uncertainties such as inflation and economic impacts. Corporate financial model is being developed covering investment schemes. Financial Plan approved by Council in February 2022 which sets out Government Grants announced for 2022/23 with budget gap of £2.3m to address by 2025/26. Thematic work underway on budget setting. Announcement anticipated on local government financial settlement. Outturn for 21/22 contributed a higher amount to reserves than anticipated at £288k. Undertaking budget setting process to refresh the financial plan for the next 4 years. Awaiting Government to confirm funding changes and consultation. Ongoing legacy costs arising from Covid-19 which are now unfunded by central Government. Impact of high level of inflation on operational costs. Bank rate increased from 0.1% to 1.75%. Improved return on investments, no current external borrowing but will need to factor interest rates into future planning. Need to understand implications and funding of the national pay award upon our local scheme. <u>Pension Fund</u> Stabilisation payments have been made with 2022/23 being the final year of the current 3 year valuation period. For the next 3 years, stabilisation payments have been offered again. Also by paying a one-off lump sum payments savings will be secured and can also be budgeted for with certainty and at the same level for each of the three years. Position fully documented in the annual Statement of Accounts. One off lump sum payment due in April 2021 was replaced by annual payment due to financial implications of Covid-19. Actuary undertaking review and indication is that there should not be a significant change but detailed work is ongoing outcome to be confirmed end of Dec 2022. <u>Business rates</u> The Norfolk Business Rates Pool was reinstated in 2022/23. Government has compensation scheme in place and has continued to provide financial support to businesses through reliefs and grants. Still awaiting announcements on business rates retention scheme going forward. Situation will continue to be closely monitored. Recognise that one small change could have a significant upon the financial plan. Continue to take prudent approach in the financial plan. <u>Rapidly rising costs</u> Impact across many risks. External forces driving inflation with continuation of Russian invasion of Ukraine and global movements in interest rates. Reprioritisation of Towns Fund projects to fit agreed funding envelope. Interest rate rises have increased investment returns but the opportunity costs of investing in projects has increased. BoFE forecasts higher than initially anticipated inflation and recession in 2023 to 2024. Treasury advisors have revised forecasts of interest rates from 1.75%. Since Dec 2021, six consecutive interest rate increases. Some supply issues to the Print Room but no major issues. Some signs of price stabilisation in some products e.g timber. BoFE forecasting contraction of economy, anticipated mid 2023 ongoing monitoring of prices and labour costs as demand/prices may begin to be more competitive. Providing longer term HR measures regarding training and development within internal workforce and supply chain. Potential impact of fuel costs for staff travelling for business purposes.	Moderate	Unlikely	6	<u>Cost management and income generation</u> 1. Assistant Directors to develop project proposals for Cabinet consideration, Mar 22. Two proposals put forward. Fees and charges had a detailed review as part of budget process. <u>Financial Plan</u> 1. Revised Financial Plan developed for Cabinet and Council approval, Feb 2022. Completed. 2. More detailed approach to development of Financial Plan for 23/24 incorporating wider member engagement, Approach to budget setting and workshop themes (reviewing fees and charges, income generation, salaries, community benefit and staff engagement) including wider engagement with elected members. Outline timetable for this work. <u>Pension Fund</u> 1. Engage actuary to review the next 3 years, consider the impact of the McCloud judgement (age discrimination case) and effects of Covid-19. Outcome anticipated Dec 2022. 2. Attending briefings anworkshops as required to understand the outcome of the review and then incorporate required chngages into the financial plan going forward, Dec 2022. 3. To consider the upfront payment option, Feb 23 <u>Business rates</u> 1. Monitor Government position with business rates retention. Ongoing 2. Provisional local government finance settlement due to be announced Dec 2022 -ongoing monitoring of impact. 3. Monitoring of new legislative programme and announcements. Ongoing. 4. Attenance at relevent seminars and briefings. Ongoing. 5. Consideration of entering Business Rates Pool in 23/24. <u>Rapidly rising costs</u> 1. Review and monitoring of costs and programmes/projects. Ongoing. 2. Seeking external funding for projects e.g. decarbonisation of buildings and vehicle fleet, HLF application for Guildhall. 3. Implementation of Re:FIT and grant funded decarbonisation projects. 4. Financial Plan to consider suitable inflationary increase going forward, Dec 2022 5. Allow for some earmarked reserves as part of closedown to cover additional costs that have materialised. Completed but ongoing monitoring. 6. Ongoing development of staff regarding future supply chain resilience e.g procurement and corporate projects ( "grow our own" approach).

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SR2	Significant programmes/ projects	<p>Impact on the delivery of council services due to the failure of major programmes/projects. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u>/ Acceptance</p>	Extreme	5	Almost certain	5	25	<p><u>Major housing developments</u></p> <p>1. Continue to consult with local groups.</p> <p>2. Investment in additional sports facilities included in the project.</p> <p>3. Ongoing monitoring of macro-economic issues such as Covid-19, EU Transition impact, inflation, etc.</p> <p>4. Sales updates reported to Officer Major Projects Board.</p> <p>5. Option for private rented market via West Norfolk Property Ltd.</p> <p><u>Accelerated Construction Programme</u></p> <p>1. Individual grant per site with staged drawdown of funds to compartmentalise risk.</p> <p>2. Utilising Modern Methods of Construction.</p> <p>3. Performance framework agreed with Homes England with quarterly returns.</p> <p>4. Delivery via Major Development Contract.</p> <p><u>Major projects programme</u></p> <p>1. Project management principles applied with use of briefs, PIDs, risk, etc.</p> <p>2. Officer Major Projects Board for approval of projects and oversight of delivery and involving senior officers representing key disciplines.</p> <p>3. Member Major Projects Board oversight with updates to Audit Committee.</p> <p>4. Use of external professional advisers on technical and professional matters e.g. architects,engineers, etc.</p> <p>5. Broad programme agreed by Cabinet with updates via Cabinet briefings and to portfolio holders.</p> <p>6. Due diligence undertaken on investments, partnerships, third parties, etc and recorded in contracts, reports, etc.</p> <p>7. Skills development for project delivery teams.</p> <p>8. Use of external funds to de-risk developments.</p> <p>9. Change control logs, risk registers on Major Housing Projects.</p> <p>10. Descoping, reprioritising and seeking alternative funding streams to address cost inflation.</p> <p>11. New Executive Director post.</p> <p>12. Independent business case assessments and subsidy control checks for Town Deal projects.</p>	Major	Possible	12	New	<p><u>Major housing developments</u></p> <p>Work on Nar Valley Park, NORA 4 progressing well. Cost price inflation mitigated by house price inflation. Sales progressing on key sites.Potential impact from Covid 19, EU transition and Ukraine war continue to create cost uncertainty. BofE forecast recession in 2023 and potential drop in house prices and demand although stimulus provided by Stamp Duty changes, low interest rates and new Government schemes. Supply side issues affecting the construction industry, pressure upon rental values and build rates via Covid-19 safe working practices. Help to Buy changed but due to end March 23. NORA4 sales ahead of that deadline. Without stimulation, the accessibility to buy may reduce demand as buyers may be unable to raise a sufficient deposit. Uncertain what the impact will be upon house price inflation. Increased inflation may affect viability and sites could stall with the onset of recession. This could impact the flow of affordable housing that is linked to these developments. Impact could be nuanced.</p> <p><u>Accelerated Construction Programme</u></p> <p>Complicated programme with many externalities outside of council's control. £1m additional funding provided by Homes England. Contracts being finalised. Additional funding sought from Homes England for upscaling MMC development. Due diligence on individual sites in progress. One site may be problematic. Output rates higher than traditional build equating to approx 7 units per month compared with 3. Market absorption rate to be considered alongside the major housing development sites. Parkway - used up ACP allocation - monitoring requirements ongoing. Hunstanton Bus Station is challenging, South End Rd and Salters Rd are progressing.</p> <p><u>Major projects programme</u></p> <p>Due diligence checklist in development covering site, legal, financial, communications, resource issues and development options. Wide range of external funds to de-risk development financing such as Town Fund, Levelling Up, Business Rates Pool, Accelerated Construction Programme, Coastal Revival Fund, etc. Change in focus of funding appears directed to 'shovel-ready' projects. Implications of Covid-19 impact on council's financial resources resulting in review of budgets and capital programme and re-prioritising projects to ensure sustainable, affordable programme going forward. Labour market challenges leading to potential risks around availability of required skills/competency/experience when recruiting e.g. project management. Macro-economic factors and consumer confidence not yet feeding through into local housing market but anticipated impact. Exploring options related to private rental housing and build to rent with consequent revenue stream. Jobs market has potential impact on availability of consultants and advisers to support bids for competitive Government funding further compounded by tight timescales. Interim Projects Technical &amp; Delivery Advisor commenced Oct 2022.</p>	Moderate	Unlikely	6	<p><u>Major housing developments</u></p> <p>1. Ongoing monitoring of demand pending change in Help to Buy, Mar 2022</p> <p>2. Support to supply chain regarding training and skills. Ongoing.</p> <p>3. Continual liaison with supply chain in area regarding future schemes and sites. Ongoing</p> <p><u>Accelerated Construction Programme</u></p> <p>1. Deed of variations agreed with Homes England as timescales slip.</p> <p><u>Major projects programme</u></p> <p>1. Consider succession planning, apprenticeships, etc as a future approach to minimising risks, Dec 2022.</p> <p>2. New Executive Director post to be recruited.</p> <p>3. Officer Project Development Group to be established and to include site specific due diligence, Dec 2022.</p> <p>4. Inhouse development of client side project managers. Ongoing.</p>

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SR3	Facilitating and enabling growth	<p>The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance</p>	Extreme	5	Almost certain	5	<u>Local employment</u> 1. KLIC and related skills & training initiatives with partners and business sectors. 2. The release of Council owned employment land at Hardwick and Campbell's Meadows in KL and at St John's Business Estate in Downham Market. 3. Information packs on the local area and to aid recruitment are provided on request. 4. Maintain regular contact with Department for International Trade and market investment opportunities with them. 5. Effectively handle enquires received direct, whether from inside or outside the Borough. 6. Active involvement with New Anglia LEP. 7. Enterprise Zone development. 8. Use of external funds to de-risk developments. 9. Gas main diversion completed at Nar Ouse. 10. Towns Fund Youth and Retraining Pledge project. <u>Empty retail properties/town centre decline</u> 1. Continued support to businesses through hardship relief. 2. Active management of lettings and promotion of a positive image of the town to potential businesses. 3. Initiatives to promote the town to visitors, shoppers and businesses. 4. Town Centre Partnership/BID. 5. Transport and town centre studies. 6. Bids for external funding such as Town Fund, Levelling Up, etc. 7. Improvements to key access roads and junctions. 8. Management capacity. 9. Covid 19 response to reopening high street 10. Payment plans for commercial tenants 11. Change in use class Order E. 12. Town Investment Plan. 13. Brownfield land within town centres released for housing. 14. Towns Fund approved business case for Public Realm improvements. <u>5 year land supply, housing delivery and housing delivery test</u> 1. 5 year plan. 2. Work on the LDF to ensure the Council can evidence that sufficient land is available. 3. Also approve applications to boost the supply in the short-medium term. <u>Housing market</u> 1. West Norfolk Housing Company to take over any surplus housing stock to rent out until the market picks up. 2. NORA Phase 4 - 50% of development will be rented properties to be available late spring/summer 2022 (WNP Ltd). 3. A viability review of the market will be carried out before the decision to commence each phase is taken. 4. Additional due diligence from East of England Talent Bank. <u>Strategic land and property acquisition</u> 1. Continue to identify, and acquire, property/land for future development/investment. Failure to do so leads to the risk of missed opportunities and associated loss of potential income. 2. Officer Major Projects Board in place to assist in coordination and oversight of developments. 3. Member Major Projects Board. 4. Land and property due diligence checks. <u>West Winch/North Runcton Strategic Growth Area</u> 1. Project and programme management approach. 2. Stakeholder engagement. 3. Commissioning technical expertise. 4. Communications and engagement support. 5. Norfolk County Council undertaking the design and planning permission for the road. 6. Successful bid approved by Norfolk Business Rate Pool. 7. Link with Officer Major Projects Board. 8. Project board established. 9. External legal and professional advice. 10. Periodic review of potential state aid issues. 11. SOBC bid in for DfT funding for the road. <u>Improvements to heritage buildings</u> 1. Identify and apply for relevant 3rd party funding. 2. Most large investment projects for historic buildings have already been completed in the past.	Major	Almost certain	20	New	<u>Local employment</u> Land at Downham Market and NORA is actively marketed. The KLIC has a stable but high occupancy. A marketing plan for the Nar Ouse Business Park Enterprise Zone implemented. Nar Ouse site infrastructure & Phase 1 premises construction progressing. LEP financing helps to de-risk the development. Engagement with the BID. Early interest shown by several local companies seeking to expand. Ongoing uncertainty arising from macro-economic events may delay company investment decisions. Pre-Covid 19, unemployment rate was at a low level but has risen with economic impact of Covid 19 although the claimant rates has subsequently improved. H&M store opened Nov 2019 adding to the town centre offer but Covid-19 has led to store closures. Management restructure strengthened focus on regeneration. External funding being progressed via sources such as Towns Fund and Levelling Up. Economic recovery strategies at borough, county and LEP areas. New businesses enquiries being received and a role to open up new allocated employment land in Borough. Pressures upon resilient supply chains as labour rates elsewhere become more attractive and demand from significant construction projects in region. Local evidence of 20-25% vacancies within some employers. National data indicates more vacancies than labour supply. Rising cost of living placing pressures on households with low incomes with potential consequences for spending in the local economy. Inflation leading to rising business costs coupled with interest rate increases. Reviewed SPF evidence base and proposed to Govt in the WNIP a package of investments to help drive the economy and related outcomes. Two positive stakeholder sessions that informed the Investment Plan. Also link to Risk SR9 - Organisational change. <u>Empty retail properties/town centre decline</u> National retail statistics indicate reductions in town centre footfall compounded by ongoing economic uncertainty, Covid-19 concerns and behavioural shift to online shopping. Range of national retailers and hospitality businesses reducing their town centre operations. Events programme and initiatives to promote the town recommenced. Opportunities to improve new housing delivery in the town centre. Town centre car parking remains below pre-Covid-19 levels. Some signs of churn within town centre premises and property market. Town Deal Repurposing project indicates that a few large King's Lynn town centre premises closed due to wider economic factors but businesses are churning. Market failure does not appear to be demonstrated in King's Lynn relative to other towns due its unique geopolitical and economic attributes. Project funding reallocated from Towns Fund but continuing to look at alternative funding options. Cost of living challenges may reduce household disposable income and impact upon some businesses. Risks around low consumer confidence could negatively impact retail and hospitality. <u>5 year land supply, housing delivery and housing delivery test</u> New housing delivery target of 95%, BCKLWN performance is 95% so no action plan will be required. Need to flag potential future issue due to Covid. This has affected delivery in the last 12 months which may cause a problem with the delivery test, if the Govt does not account for the pandemic. National housing delivery figures published in November. Being assessed as part of Local Plan review process. Examination is anticipated Nov 2022. <u>Housing market</u> Exit strategy being developed by West Norfolk Property Company for private rented sector properties from major housing schemes. Link with the Accelerated Construction Programme. Seven additional sites being developed and brought forward faster than the original programme. Need to balance market absorption rate across the range of developments. Potential impact from Covid 19 and EU transition relating to drop in house prices and demand, supply side issues affecting the construction industry and rental values. The tenure type on the remaining properties has changed and there is no longer a market risk associated with these properties. In terms of market housing, BCKLWN is main housing developer in the borough. Demand increased due to Covid-19 and attractiveness of area. Rents have remained high. Low stock of high quality properties. Few new homes or affordable homes available. Market absorption - end of Help to Buy scheme Dec 2022, sales completion by end Mar 23. Stamp duty changes had minor effect on local housing market. 80% of open mkt sales via Help to Buy. NORA4 - open market sales completed. Inflation and interest rates reducing home buying demand with potential for impact upon private sector rental values. May 2022 - Covid-19 led to migration away from cities. Rapid house price inflation and anecdotal evidence of shrinkage of the private rented sector at a time of high demand leading to increased requirements for upfront and larger rental deposits. Private rents becoming increasingly unaffordable for low income households. Aug 2022 - BoFE forecast for economy - need to keep under review. <u>Strategic land and property acquisition</u> Cabinet has considered reports relating to the acquisition of specific	Moderate	Unlikely	6	<u>Local employment</u> 1. Local Plan review - employment land (current allocated land is unviable due to need to raise levels). 2. Ongoing monitoring of Levelling Up proposals and support to increase the numbers of people to fulfil roles at all skill levels post-Covid/EU Transition, Mar 22 3. Apprenticeships/ training programmes encouraged within major housing contracts and sub-contractors, Mar 22 4. Explore options for innovation centres, advanced manufacturing centres of excellence, etc through Government funding. 5. Shared Prosperity Fund and development of West Norfolk Investment Plan to improve workbased skills programme. Autumn 2022. 6. Consideration of Youth and Re-Training Pledge Project and broader role going forward. <u>Empty retail properties/town centre decline</u> 1. Actively identifying opportunities to repurpose vacant retail units including conversion to residential and creating flexible pop up retail opportunities for micro-businesses/niche retailers plus community based organisations, Mar 2022 2. Developing business cases for MUCH, Guildhall and Riverfront. 3. Explore alternative purposes for King's Lynn Town Centre - Town Investment Plan viewing the town centre as a multi-purpose destination rather than just retail. 4. Consideration of the housing element within King's Lynn town centre and contribution of LCWIP and ACC Towns Fund Project towards the 15 minute neighbourhood concept. 5. Development of the car parking strategy. 6. Repurposing of vacant town centre units for purposes such as leisure. Ongoing. 7. Road infrastructure for the Enterprise Zone? 8. LUF submission for replacement of Oasis, Hunstanton. Autumn 2022. <u>5 year land supply, housing delivery and housing delivery test</u> 1. Supporting the Local Plan review process, Nov 2022. <u>Housing market</u> 1. Monitor for potential signs that the increase in prices/labour force issues impacts upon the development sector, Dec 2022 2. Monitor for impact of end of Help to Buy scheme and its impact, Mar 2023 3. Consider increasing the proportion of private rented sector within the council's housing development programme. Ongoing. 4. Monitor Help to Buy policy developments. Ongoing. <u>Strategic land and property acquisition</u> 1. Consider the council's development role and related pipeline of land for future housing development. 2. To ensure that we maximise our own opportunities for example Boal Quay, and Puny Drain and deliver sites that we already have e.g. Enterprise Zone and development opportunities along the promenade if the Oasis sites releases land. 3. Review the delegated decision (Capital and Local Property Investment Fund Strategy 2017 – 2021, Cabinet 21st January 2017) for property acquisition. <u>West Winch/North Runcton Strategic Growth Area</u> 1. Ongoing stakeholder engagement, Mar 2022 2. Clarification of resources via Homes England. <u>Improvements to heritage buildings</u> 1. Development of Guildhall Towns Fund business case. Completed. 2. Development of Riverfront Towns Fund business case. Sept 2022.

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						3. Ensure provision is made in the Capital and Property Investment Strategy and Financial Plan to enable the Council to meet any fund matching required by 3rd party funding. 4. HAZ Programme Manager in place (programme ends July 2022). 5. Towns Fund projects; Guildhall, Riverfront and Public Realm 6. Southgates masterplan.					property/investment opportunities in King's Lynn town centre and around the South Gates. Additional member led governance via Member Major Projects Board. Work ongoing to broaden the range of development tools available to the council including taking options on development sites. Prudential Code changes prohibit investment for commercial returns. <u>West Winch/North Runcion Strategic Growth Area</u> Project team meetings, meetings with partners, project management approach to scheme development and implementation, use of external support to provide technical support and capacity. Extensive stakeholder engagement with MPs, MHCLG, Homes England, etc. Bid submitted to the Norfolk Business Rates Pool to contribute towards outline planning for the site, an equalisation agreement and supplementary planning document. External professional advice sought upon issues such as state aid. Strategic Outline Business Case submitted by Norfolk County Council and awaiting decision. Extensive stakeholder engagement undertaken and scheduled for 2022. Local legal firms advising affected landowners experiencing skills and capacity challenges to support landowners. New requirements for Biodiversity Net Gain to be clarified. Ask from Homes England to be confirmed regarding gap funding and role as a land promoter/master developer. <u>Improvements to heritage buildings</u> The HAZ programme ended in March 2022 and no scheme related to heritage buildings has been completed. The opportunity through High Street HAZ was withdrawn as further opportunities did not materialise. Re-purposing work in the Town Investment Plan will not necessarily look at older at risk buildings. The preservation work on the Sommerfeld and Thomas warehouse (TIP) is the one of few projects to save historic assets. Activities related to the Guildhall and riverfront are covered within business cases under development for the Towns Fund and earmarked for significant investment in addition to public realm improvements. This will help mitigate risks regarding heritage assets. Southgates masterplan work progressing.				



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SR4	Community issues	<p>The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance</p>	Extreme	5	Almost certain	5	25	<p><u>Community relations</u></p> <p>1. The Council works closely with partner agencies in the area to make sure that any issues are identified and effectively tackled as soon as possible.</p> <p>2. External funding bids with partners.</p> <p>3. Agreement with Shelter.</p> <p>4. PREVENT task group and workstreams</p> <p><u>Preventing homelessness</u></p> <p>1. Staff capacity.</p> <p>2. Training and development programme on new responsibilities.</p> <p>3. ICT development to support case management.</p> <p>4. Support commissioned from voluntary and community sectors.</p> <p>5. Partnership and network arrangements.</p> <p>6. Communications support.</p> <p>7. Accommodation options improved by Broad Street.</p> <p>8. Reduction in working age population.</p> <p>9. Strategic Housing Market Assessment identifies increasing prevalence of families sharing accommodation with families.</p> <p><u>Conflicting aims (with partners)</u></p> <p>1. Clarify and agree with partners what the common targets are and how achievement of them will be recognised.</p> <p>2. Terms of Reference or SLA's are agreed for each group to define the aims and respective roles and focus on core services plus specific projects.</p> <p>3. Ensure active participation on relevant Boards/ Groups.</p> <p>4. West Norfolk Partnership.</p> <p>5. Norfolk Resilience Forum response and recovery work.</p> <p>6. King's Lynn Town Deal Board and Local Assurance Framework.</p> <p>7. Hunstanton Advisory Group established.</p> <p>8. King's Lynn Town Deal Skills Forum.</p> <p>9. Shared Prosperity Fund stakeholder groups established.</p> <p>10. Norfolk Climate Change Partnership.</p> <p>11. Health and Wellbeing Partnership established and terms of reference agreed.</p> <p><u>Covid-19</u></p> <p>1. Business continuity arrangements including critical services and "Loss of staff" threat analysis.</p> <p>2. Participation with Norfolk Resilience Forum and related structures.</p> <p>3. ICT network and capability to support flexible working (tele/video-conferences, working from home and alternative locations, Office 365, Teams, Zoom, Youtube).</p> <p>4. Staff and manager briefings on Covid-19, absence management, working practices.</p>	Major	Almost certain	20	New	<p><u>Community relations</u></p> <p>The Council is involved in proactive work through the West Norfolk Partnership. Council works closely with the police and Freebridge in Safer Neighbourhood action panels and the neighbourhood officers are now a formal part of the joint Operational Partnership Team. No evidence of EU transition related tensions as experienced in neighbouring councils. Our agreement with Shelter has allowed for a more effective response to issues of harassment and illegal eviction. Multi-agency response to Covid-19 with significant communication campaigns and support for vulnerable households. ASB represented on PREVENT task group and workstream. Engagement with embryonic Integrated Care System to encourage prevention and wider involvement of health.</p> <p>Continued support for asylum seekers. Potential impact upon homelessness response and perceptions of support. Potential challenges for refugee support related to host/sponsor relationships, desire to move on, etc. Work ongoing at county level.</p> <p><u>Preventing homelessness</u></p> <p>Key aspect to deal with anticipated increase in homelessness is capital and revenue funding announced in June 2020. Focus will be conversion of existing vacant residential and commercial units. Also funding offsite constructed modular units to be delivered by housing association partners on council owned land. Potential for those who were accommodated under Everyone In policy losing accommodation and being homeless again or rough sleeping. Plan agreed for all Norfolk authorities to work together to deliver a housing related support strategy - "no homeless in Norfolk". This will be based on a shared approach but with local delivery models to fit local accommodation solutions. Ongoing lobbying of Government departments for funding and achievement of a longer term funding 3 year contract that includes outreach for homeless people and support for their next steps in their accommodation journey. Marginally improved staffing. Ongoing lobbying of Government departments for funding and use of funding from Everyone In initiative. Only 1 rough sleeper reported to Government as part of annual snapshot survey.</p> <p>Current issues:</p> <p>1. Increased pressures arising from housing market changes related to changing lifestyles prompted by Covid-19 and home working compounded by a rapid change in private rental market capacity with landlords selling properties given buoyant house prices.</p> <p>2. Potential issue that housing availability and support may not be in place in the future for refugees that are seeking to move on from their current accommodation.</p> <p>Discussion with council owned housing companies; aware of nature and scale of issues. Exploring related crisis intervention and funding with partners.</p> <p><u>Conflicting aims (with partners)</u></p> <p>Core membership and terms of reference for the West Norfolk Partnership have been refreshed in early 2017. Multi-agency Active Lives meeting in July 2018 considered Borough participation rates and agreement at West Norfolk Partnership to initial priorities. CAN - SLA focused on Universal Credit in rural areas; Freebridge SLA focused on anti-social behaviour. Health and Wellbeing Strategy sign off via E&amp;C Panel and Cabinet Oct/Nov 2018. District council sub-group informing Health and Wellbeing Board proposals. Corporate business plan informed by consultation with policy development panel. Cross-council groups regarding housing advice (Shelter) and debt advice (Money Advice Hub). Community support service (Homelessness prevention outreach service) SLA and Rough Sleep Outreach Service SLA funded via central Govt and NCC. Covid-19 response delivered via multi-agency approach e.g. vaccination centre. Early engagement with developing Norfolk and Waveney Integrated Care System / Integrated Care Partnership. Collaborative work with members of Norfolk Climate Change Partnership and working towards a Norfolk-wide plan. Ongoing dialogue with Norfolk County Council regarding bids to Government funding streams e.g. Towns Fund, Levelling Up, Shared Prosperity Fund, etc.</p> <p>Further examples include Ukraine response with neighbouring councils despite differences in funding, liaison between organisations represented on the Town Deal Board, Business Rates Pooling and Hunstanton Advisory Board.</p> <p>Weekly risk meeting with NRF regarding response to fires in summer 2022.</p> <p>Drought and water monitoring via NRF and Environment Agency updates.</p> <p>Development work with the Health and Wellbeing Partnership.</p> <p>Fenland DC testing the market for the care and repair services contract. Risk that BCKLWN may not succeed.</p> <p><u>Covid-19</u></p> <p>National response scaled down as restrictions ended. Hybrid working model continues. Norfolk Resilience Forum structures stood down. Central government reporting scaled back and generally ceased. Vaccination programme refocused. Should the council need to respond again in the future relevant structures and responses would remain in place or be stood up. Over 50's vaccination plan for winter 2022. Ongoing monitoring of variants of concern at national level.</p>	Moderate	Unlikely	6	<p><u>Community relations</u></p> <p>1. Housing availability for vulnerable residents. Ongoing.</p> <p><u>Preventing homelessness</u></p> <p>1. Asylum seekers - potential placings under review, Mar 2022</p> <p>2. Consider impact of proposed legislation on second homes (Review impact of second homes measures and exemptions within the Levelling Up Bill).</p> <p>3. Consideration to be given to re-examining social housing provision and exploration of measures to mitigate the reduction in private rented sector capacity. Refocus efforts on providing additional social and private rented housing. Now considering acquiring housing from third parties for both affordable and PRS given the acute need for both tenures. Ongoing.</p> <p>4. Refresh housing needs assessment, Spring 23</p> <p><u>Conflicting aims (with partners)</u></p> <p>1. Local Assurance Framework review for Town Deal Board, August 2022. Completed.</p> <p>2. Ensure comms focusing on neutral and factual stance and related to implementation of Govt policy. Ongoing</p> <p>3. Work with Hanseatic Union to implement and provide measures to support refugees and support in a neutral way. Ongoing</p> <p>4. Internal comms to be mindful of potential for tensions should the Council be perceived to be biased. Ongoing.</p> <p>5. Consider contingency plan for potential loss of Fenland care and repair contract. Dec 2022.</p> <p><u>Covid-19</u></p> <p>1. Provide ongoing support and staff for multi-agency Covid-19 response, Mar 2022. NRF stepped down.</p> <p>2. Ongoing Covid-19 safe measures in workplace. Ongoing.</p> <p>3. Review of hybrid working policy. Dec 2022.</p> <p>4. Prepare to react if local need arises e.g. in winter 2022 (similar to invoking loss of staff threat card).</p>

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			Impact		Likelihood		Score	Impact	Likelihood			Score	Impact	Likelihood		Score	
SR5	Continuity of service	<p>The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance</p>	Major	4	Likely	4	16	<p><u>Business continuity</u></p> <p>1. Business Continuity Corporate Officer Group.</p> <p>2. Incorporate Business Continuity into Risk Management systems.</p> <p>3. Develop and test service specific plans across the Council.</p> <p>4. Disaster Recovery Plan for ICT.</p> <p>5. Business Continuity Policy and Strategy, Incident Response Plan, Invocation Process and Checklist in place and regularly reviewed.</p> <p>6. Out of Hours Contact Card.</p> <p>7. Office 365 deployment.</p> <p>8. Tests of business continuity plans each year via Metis exercise.</p> <p>9. ICT network and back up improvements to enhance resilience.</p> <p>10. MHCLG provided additional funding for 2018/19 and 2019/20 for Brexit preparations.</p> <p>11. Use of Citrix for remote access to ICT network</p> <p>12. Staff training</p> <p>13. Well established Business Continuity plans for critical services and reviewed annually</p> <p>14. Covid 19 response capability developed in wave 1 and utilised throughout 2020/2021</p> <p>15. Utilisation of remote meeting software</p> <p><u>Emergency response (external)</u></p> <p>1. Borough Council is a member of the Norfolk Local Resilience Forum (NRF).</p> <p>2. The NRF work together to develop emergency plans based upon the Norfolk Community Risk Register.</p> <p>3. Norfolk Strategic Flood Alliance</p> <p>4. Internal Audit review of emergency planning function.</p> <p>5. Ongoing consideration of weather warnings and alerts</p>	Major	Possible	12	New	<p><u>Business continuity</u></p> <p>Covid 19 response scaled back to adapt to current position, service delivery returning to pre-Covid levels in some services although issues with backlogs, ongoing response and capacity in some services. Use of homeworking supported by ICT technology such as Citrix, Teams and Zoom,virtual meetings using Teams, Zoom and Youtube and communications activities. Hybrid approach continues. Ongoing health and safety measures under review by corporate health and safety reporting to Management Team as required. Ongoing pressures upon staff and resources in some services with possible risks arising from concurrent incidents (local, county or national). Enhanced risk to service provision in event of a major ICT failure see risks 1.5, 1.6 and 1.16. EU Transition (mainly re: food exports) and supply chain issues broadly assessed and not considered to pose a material corporate risk to the council are impacting upon some aspect of services and activities. Annual business continuity update provided to Audit Committee. Corporate Business Continuity Group completed the high level assessment and bronze plans reviewed. Monitoring Covid-19 infection rates across the district. Fuel outage in October 2020; business continuity threat card used and measures put in place to mitigate potential issues. Fuel issues fed into NRF multi-agency county group. Cyber security METIS exercise conducted in 2022. Extreme heat - work from home and dress code practices in place. More capacity to focus on BC issues following down grading of response to Covid-19.</p> <p><u>Emergency response (external)</u></p> <p>Active participation in Norfolk Resilience Forum (NRF) planning and exercising. Emergency plans are in place and were tested in January 2017 for a predicted tidal surge. Participation with NRF on EU Transition related planning. Tidal surge experienced in Oct 2019 with minimal impact. Flooding experienced in 2020 with response via agreed protocols and NRF. Covid-19 response ongoing but demonstrated organisation's response (officer and members) to a significant incident with learning to be identified. Internal Audit review ongoing on emergency planning function.Borough Emergency Plan reviewed and plans updated and reviewed as required. Norfolk Strategic Flood Alliance workshop in Oct 21 considered response and recovery.</p>	Moderate	Unlikely	6	<p><u>Business continuity</u></p> <p>1. Internal Audit conducting a review of the emergency planning function, Mar 2022.</p> <p>2. Planning for a new METIS business continuity plan test. Completed.</p> <p>3. Consideration of hybrid working arrangements, Mar 2022. Completed.</p> <p>4. Planning for METIS 22, anticipated Nov 2022. Ongoing.</p> <p><u>Emergency response (external)</u></p> <p>1. Ongoing training to be provided to staff and staff updates, Dec 2022.</p> <p>2. Ongoing review and dissemination of weather warnings, Dec 2022</p>
SR6	Data management and security	<p>Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance</p>	Extreme	5	Almost certain	5	25	<p><u>Loss of ICT</u></p> <p>1. Investment to protect remote sites.</p> <p>2. Business Continuity Plan - document procedure for loss of ICT server in place.</p> <p>3. Security policy to ensure data integrity.</p> <p>4. Replication and manageability of live data storage off-site.</p> <p>5.UPS installed with backup generator to feed an uninterruptible power supply with conditioning to include surge protection to the computer room.</p> <p>6. Network improvements.</p> <p>7. Increasing number of applications using cloud technology supported by agile working.</p> <p><u>ICT failure of back up</u></p> <p>1. The testing programme of backups.</p> <p>2. Business resumption plan in place.</p> <p>3. An off-site storage facility in place.</p> <p>4. Stand-by facilities to be provided.</p> <p><u>Cyber security attack</u></p> <p>1. Best practice in regards to the Public Sector Network and Payment Card Industry standards are followed.</p> <p>2. Necessary firewalls and filtering is in place.</p> <p>3. Patching is kept up to date.</p> <p>4. Staff and Members are regularly reminded to be vigilant and not click on links within emails from unknown sources.</p> <p>5. National Cyber Security Centre advice issued</p> <p>6. Norfolk cyber security cell</p> <p>7. Extended support for Windows 7</p> <p>8. Access controls for virtual meetings</p> <p>9. Internal Audit review - rated "substantial"</p> <p>10. Routine checks and scans by external party</p> <p>10. E-learning software relating to cyber security.</p>	Major	Possible	12	New	<p><u>Loss of ICT</u></p> <p>A second site is now established at Fakenham and key data is replicated there. Staff can access data from home if necessary via Citrix and cloud based systems. The number of citrix licences was increased from 60 to 200 to enable more homeworking during the COVID pandemic. Internal Audit and the Business Continuity Corporate Officer Group are aware of this position and are satisfied that in the event of a disruption or emergency, this is manageable. Business Continuity task and finish group established to review current ICT infrastructure arrangements in light of the potential loss of King's Court; our main offices and the plan for decanting staff to various satellite offices. Phase one of this review has concluded and recommendations agreed at Management Team and the ICT Development Group with the implementation phase underway with a number of more resilient connections now in place. Work area recovery plan arrangements utilised to support social distancing measures at King's Court and ongoing response to Covid 19. Additional infrastructure works have been undertaken to support the response to COVID that will also provide further mitigation.</p> <p><u>ICT failure of back up</u></p> <p>There has been significant investment previously in the back-up system and process of off-site storage. There is a programme in place for backups and the testing of backups. The system has been reviewed and a new tape library has been deployed.</p> <p><u>Cyber security attack</u></p> <p>We are constantly reviewing the security of our ICT systems and are in contact with the Local Government Association, National Cyber Security Centre (including NCSC Early Warning Service) and other relevant public sector organisations to act upon security intel where appropriate. We obtain other situational awareness through intelligence email alerts via being members of both CiSP (Cyber Security Information Sharing Partnership) and East of England NLA WARP (Warning, Advice and Reporting Point).</p> <p>With the heightened threat, our organisation has a range of ways in which to counter cyber security threats. We have the necessary cyber security deterrents in place such as malware antivirus, web proxy, and mail filter, multi-vendor AV protection and multi-factor authentication as well as other appropriate measures and have a strict software patch management regime.</p> <p>We undertake corporate business continuity planning scenarios annually and we undertook a cyber security exercise in 2022 as part of a business continuity 'metis' exercise. We have annual audits of our ICT security and penetration tests and a recent Cyber Security internal audit a few months ago gave 'substantial assurance' in our cyber security. Furthermore, a new Security Network Access Controller is to be installed to increase our levels of protection.</p>	Moderate	Unlikely	6	<p><u>Loss of ICT</u></p> <p>1. Ongoing improvements to ICT network, Mar 2022</p> <p><u>ICT failure of back up</u></p> <p>1. Refresh/review back up tape library 2022/23.</p> <p><u>Cyber security attack</u></p> <p>1. Additional proactive measures/software being researched, Mar 23</p> <p>2. NCSC Cyber Essentials being explored, Mar 23</p> <p>3. Implementation of network access controller, Aug 2022</p> <p>4. Cyber security insurance being explored for consideration.</p>

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SR7	Corporate Governance	<p>The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.</p> <p>Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance</p>	Major	4	Likely	4	16	<p><u>Due diligence</u></p> <p>1. Capital and Investment Strategy approved annually.</p> <p>2. Sharing of ideas at Management Team level to allow full consideration of all issues.</p> <p>3. Use of the pool of knowledge contained in Management Team to act as 'critical friend'.</p> <p>4. Assistant Director - Resources discusses proposals with external auditor on a regular basis.</p> <p>5. Key statutory officers meet; Head of Paid Service, Monitoring Officer and Section 151 officer.</p> <p>6. Use of project initiation documents, briefs and business cases.</p> <p>7. Use of external consultants for specialist advice and capacity e.g. VAT, Treasury management, specific property and valuation development expertise, independent appraisal</p> <p>8. Use of pre-application planning service.</p> <p>9. Officer Major Projects Board and Member Major Projects Board in place to provide more rigorous governance around major capital projects.</p> <p>10. Additions to governance framework including Cabinet briefings, a new member led body to enhance oversight of major projects and developing approach for council owned companies.</p> <p>11. Use of lessons learnt reports and external inquiry to improve practice.</p> <p>12. Town Deal Local Assurance Framework; business cases, support from consultants, independent appraisal, subsidy control assessment, S151 approval</p> <p>13. Internal Audit providing consultancy audit and identify recommendations.</p> <p>14. Project Accountant - specific resource recruited to support major projects including Towns Fund.</p> <p>15. Full time Monitoring Officer commenced, May 2022.</p> <p><u>Fraud and corruption</u></p> <p>1. Audit and Fraud Team dealing with the prevention, detection and deterrence of fraud and corruption. Strong guidance arrangements and internal controls are in place and regularly tested.</p> <p>2. Anti-Fraud and Anti-Corruption Policy, Anti-Money Laundering Policy, Whistleblowing Policy and an Anti-Fraud &amp; Anti-Corruption Investigation Procedure Manual are in place.</p> <p>3. Fighting Fraud &amp; Corruption Locally Checklist Assessment undertaken to identify any gaps / areas for improvement.</p> <p>5. National NFI Exercise and the annual Flexible Matching Service Exercise (including Premium Matching activities).</p> <p>6. Norfolk FraudHub membership for the sharing of good practices and more frequent matching for the purposes of fraud detection.</p> <p>7. Membership of the National Anti-Fraud Network for the purposes of obtaining information under relevant authorised powers to assist in the investigation of fraud and corruption.</p> <p>8. Access to the Government Counter Fraud Function Spotlight Tool for pre and post assurance review of Covid-19 Business Grants.</p> <p>9. Debtor/Absconder Tracing.</p> <p>10. Joint working with the DWP regarding Council Tax Reduction Scheme frauds and other benefit fraud.</p> <p>11. Participation of the Cabinet Office FraudHub User Group.</p> <p>12. A Fraud Risk Register is in place.</p> <p>13. Review of Serious and Organised Crime.</p> <p>14. DLUHC assurance checks.</p> <p><u>GDPR</u></p> <p>*1. Eastlaw supporting work to review current arrangements with Service Managers in a timely manner to ensure all necessary changes to systems/procedures are identified and action taken to implement any required changes arising from the regulations.</p> <p>2. Information governance enhanced with SIRO and Deputy SIRO roles and network of Information Asset Owners and Administrators.</p> <p>3. Training and development for staff.</p> <p>4. Internal Audit review of GDPR policy and practice.</p> <p>5. Document Retention Policy supported by service based Records of Processing Activity in place.</p> <p>6. E-form for reporting breaches</p>	Major	Possible	12	New	<p><u>Due diligence</u></p> <p>Innovative approaches to opportunities which arise are being developed where the potential to generate income is identified. There may be a need to engage external specialists if riskier investments are considered where the Council does not have the expertise in-house. Changes to the Prudential Code may impact upon the Council's future investment plans with an emphasis on robust business cases and plans. The Council has a contract in place to provide external expert VAT advice. Treasury Management advice regarding borrowing in light of uncertainties such as EU Transition. Emphasis is on robust plans. Project team meetings for key work streams; leisure, major projects, housing companies. Governance improvements being developed and implemented to respond to NWES lessons learnt report, notable practice regarding council owned companies and ongoing commercialisation. PWLB consultation concluded which excludes 'invest to yield' projects from scheme. Project due diligence checklist being developed for major projects. Focus is on delivering a balanced budget, initiatives that yield a return or a community benefit. Learning has been taken from other local authority saving programmes with many initiatives unsupported. The Local Assurance Framewok for the Towns Fund involves independent appraisals, critical reviews and approvals from S151 officer. Reviewed Terms of Reference of the Member Major Projects Board.</p> <p>All members invited to briefing on the role of the Member Major Projects Board and approved projects.</p> <p><u>Fraud and corruption</u></p> <p>Audit and Fraud Team work programmes are in place and progressing. Any instances of potential fraud are dealt with quickly. Audit work plans cover vulnerable areas of risk. The Anti-Fraud and Anti-Corruption Policy (formally approved by Council July 2021) as well as relevant webpages providing details of how to report fraud and corruption, Anti-Money Laundering Policy (now published in June 2020 and a corresponding webpage now live) and Whistleblowing Policy are up to date and reflect current good practice (including the Fighting Fraud and Corruption Locally 2020 Standards). A Senior Internal Auditor is in place covering the responsibility of Internal Audit and Fraud &amp; Corruption, with assistance from the Head of Internal Audit of Eastern Internal Audit Services with no impact on the delivery of the Council's audit plan. The Norfolk FraudHub is now fully implemented with regional/sub-regional partners where data matching exercises are undertaken frequently to assist in the detection of fraud and corruption within systems. Furthermore participation in steering group meetings to share best practices and emerging threats and new methods of preventing, detecting and deterring fraud. The FraudHub includes additional benefits such as Premium Data matching activities and access to "AppCheck" software for vetting applications for potential fraudulent applications. Preventative measures are being developed to reduce the numbers of those in debt and arrears. Data matching activities also now include matches against HMRC data. As a result of the Covid-19 pandemic, access has been granted for pre and post checking of Covid-19 Business Grants to the Government Counter Fraud Function's "Spotlight" tool to assist in preventing and detecting fraud and corruption. A recent Fighting Fraud &amp; Corruption Locally Checklist assessment has been undertaken in January 2022 resulting in the identification of any gaps/areas of improvement which are being followed up, such as training packages to be rolled out to staff and members on fraud and corruption. Participation in national NFI exercises and the annual Flexible Matching Service exercise (including Premium Matching Service). Membership of the National Anti-Fraud Network for the purposes of undertaking debtor/absconder tracing activities and furthermore intelligence checks and obtaining evidence for the purposes of fraud and corruption investigations. Joint working partnership agreements are in place with the DWP regarding Council Tax Reduction Scheme frauds and other benefit fraud. Internal Audit have devised a Fraud Risk Register to assist in determining the fraud risks faced across each service area of the authority and to help identify any mitigation that is in place or additional controls to be considered. Participation of the Cabinet Office FraudHub user group to help steer the innovation of anti-fraud, anti-corruption and Debtor/Absconder Tracing software and data matching processes. Participation in UK Finance Protective Scheme in response to increase in fraud relating to COVID business grants. A review is currently being undertaken of Financial Investigation provisions, with a memorandum of understanding currently being developed. The Council has responded to additional requirements arising from Covid payments and funding through the creation of 2 fixed term posts in Revs and Bens supported by new burden funding.</p> <p><u>GDPR</u></p> <p>Assessment of data transfer issues undertaken as part of Brexit planning - no issues identified Oct 2019. Internal Governance officer group has been established and pre Covid met on a quarterly basis. E-form has been developed and published so breaches can be reported in a consistent format, making it easier for Eastlaw to assess the seriousness of the data breach. Governance group to be reestablished following legal services returning inhouse and a new team being recruited.</p>	Moderate	Unlikely	6	<p><u>Due diligence</u></p> <p>1. Programme of statutory officers meetings scheduled on a monthly basis.</p> <p>2. Council companies review planned for consideration by Corporate Performance Panel and Cabinet, Sept 2022</p> <p>3. Review how Officer Major Projects Board operates.</p> <p>4. Workshop with Member Major Projects Board to consider performance reporting for projects and ongoing requirements. Workshop held but reporting format and post project evaluation/lesson learnt in development.</p> <p>5. Officer Project Development Group, Dec 2022.</p> <p>6. Reviewing cost management and income generation programme (links to Risk SR1 - Financial sustainability)</p> <p><u>Fraud and corruption</u></p> <p>1. Full year update to Audit Committee, June 2022. Completed. Reporting developments requested by Audit Committee - annual report.</p> <p><u>GDPR</u></p> <p>1. Paper considered by Management Team to highlight some pertinent aspects of DP / GDPR, including the need to review Information Asset Assistants now the Assistant Directors are in post.</p> <p>2. Re-establish governance meetings, Sept 22</p>

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SR8	Reputation management	<p>The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver corporate business plan.</p> <p>Principle risk approach: Avoidance/ Transfer/ <b>Mitigation</b> / Acceptance</p>	Major	4	Almost certain	5	20	<b>Reputation management</b> 1. Media spokespeople are trained. 2. Protocols implemented. 3. Staff trained to spot opportunities and potential threats. 4. Social Media Guidelines and training in place. 5. Additional comms resources. <b>Council reputation</b> 1. Proactive inspection and enforcement programmes. 2. Appropriately qualified and experienced staff employed. 3. Training programmes for relevant staff. 4. Incident Response Plan. 5. Liaison with external audit. 6. Use of independent inquiry and publication of lessons learnt reports - leading to enhanced policy and practices to reduce future risks and errors. 7. Communications support and additional resources. 8. Contract monitoring and management. 9. Identification of contract risks. 10. Redeployment of existing staff. 11. Use of external, independent experts e.g. subsidy control assessments, business case development. 12. Full time monitoring officer in post - Improved capacity and support. 13. Cyber security arrangements (see risk SR6 - Data management and security))	Moderate	Likely	12	New	<b>Reputation management</b> Communications team continues to promote positive news, to respond effectively to media enquiries and to rebut inaccurate reporting. Social media and the use of cameras on smart devices have changed the landscape of communications, leading to the need for increasingly quick responses required by agreed spokespeople. Protocols to be updated accordingly to reflect the changing nature. Spikes in media attention arising from specific events. Protocols to be reviewed in the light of Covid 19 and training for Members is to be scheduled. Extra resource to support Comms activities across the organisation. Anticipating an increase in enquiries and challenges as borough election approaches. <b>Council reputation</b> Key activities have been identified as part of service planning. Staff qualifications and any resulting training requirements are reviewed as part of the PRP process. Inspection and enforcement regimes are in place and monitored for performance and records kept. Risk assessments undertaken where appropriate. Ongoing comms relating to key issues and events. Consultation and engagement support e.g. Towns Fund. Recruitment challenge and staffing of posts requiring specialist skills and qualifications being considered and linked to pay policy. Fire and water challenges/response to community issues during the July 2022 heat wave. Potential comms issues arising from pursuing commercial rent arrears (parameters limited by Covid related legislation).	Moderate	Unlikely	6	<b>Reputation management</b> 1. Continue to review ongoing comms requirements, Mar 2023 2. Member induction plan devel;oped, Dec 2022 <b>Council reputation</b> 1. Preparation of METIS exercise feedback report and consideration of recommendations. 2. Where resources allow, consider enhancing presence on national stage e.g. Speaking at conferences, awards, etc. Ongoing.
SR9	Organisational change	<p>Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.</p> <p>Principle risk approach: Avoidance/ Transfer/ <b>Mitigation</b> / Acceptance</p>	Extreme	5	Almost certain	5	25	<b>Capacity</b> 1. Arrangements with other councils. 2. Use of agency and interim staff. 3. Improve staff resilience/ cross training. 4. Service and management restructures and related recruitment and development. 5. Absence management. 6. Use of apprentices and intern from UEA (position subsequently established as permanent role). 7. Use of external support for Towns Fund business case development, subsidy control and independent appraisal. 8. Review of Planning resource and additional posts. 9. New Executive Director post. 10. Restarted management development programme. 11. Progression scheme. <b>Channel shift</b> 1. Engage with the operational staff and systems admin, who understand the back office system. 2. Robust project plans that are monitored independently. <b>Pay pressures</b> 1.The Government's public sector pay restraint has had an impact on recruitment and retention for some Council services. Government starting to relax its previous public sector pay policy in certain areas which could have a further impact on our ability to recruit and retain suitably qualified and experienced staff in certain areas. This in turn could prompt the need to review local pay arrangements, with associated financial implications. Government policy for 2021 was a pay freeze in the public sector. 2. Ongoing monitoring of Government public sector pay policies.	Major	Almost certain	20	New	<b>Capacity</b> Established training regime to enable colleagues to cover for each other's absences. Management restructure agreed April 2022 with additional Exec Director being recruited. UEA intern to support climate change footprint and policy development. Following end of national Covid-19 measures most services/operational delivery returning to normal levels however some services (frontline and back office) have backlogs and new Government initiatives may require additional capacity e.g. Ukraine response. Additional resources to focus on communications and enforcement of flytipping. <b>Channel shift</b> Focus over 2021/22 has been on Covid-19 response to support flexible working. Work is concentrating on customer facing aspects initially to engage fully with the public and reduce the need for more staff intensive means of communication, such as telephone enquiries. Locality offices closed, moving customer contact to telephones/online which are more cost effective methods. Work is ongoing with Environmental Health to achieve full integration with IDOX. 97% satisfaction with digital services at year end 2019/20 increased to 99% in 2020/21. Covid-19 resulted in more customers using digital services. Number of digital and self-service transactions (web chats, online forms and Myaccount) benchmarked against pre-Covid 19 levels: , 38,642 (2019/20), 43,870 (2020/21) 40,371 (2021/22). <b>Pay pressures</b> Continue to closely monitor the Government's public sector pay policy and pay settlements agreed in the wider public sector/private sector. Provision for some movement in pay costs has been included in the financial plan. Mitigation elements include pay policy, growing our own, succession planning, early recruitment and identification of skills. Pay Policy statement for 2021 to be agreed when position on cost of living award is determined. National pay settlement for 2020 was not agreed until early autumn. The council had already implemented its local pay award and will consider any implications from the 2020 national settlement when it prepares the 2021 award. Position regarding 2021 cost of living settlement is currently unclear and further information is unlikely until after the May elections. There is a timing risk related to determination of local pay award arrangements and national pay agreement. Agreed local pay settlement for 2021. Govt position on public sector pay changed. Position going forward is unclear but will develop proposals in 2022. Local proposal had been developed but national proposals need to be considered in the determination of the local pay offer and impact upon the financial plan.	Moderate	Unlikely	6	<b>Capacity</b> 1. Review recruitment issues. Ongoing and responsive to requirements and market conditions. 2. Considering progression schemes across service areas. Ongoing. <b>Channel shift</b> 1. Migration to Office 365, Mar 23 2. Developing Microsoft Sharepoint InSite linked to the cloud, Mar 23 3. Engaging with staff re: developments to Insite to improve internal comms and document sharing, Mar 23. 4. Learning workshops for ICT staff on Sharepoint, Mar 23 5. Review of different methods of interaction with customers with different services, Mar 23. <b>Pay pressures</b> 1. Monitoring of national pay award. Ongoing. 2. Some roles requiring particular qualifications are being considered in advance of future recruitment, Mar 22 3. Appropriate allowances for pay to be made within the budget and financial plan. Ongoing. 4. Monitoring of recruitment challenges and introduction of progression related award. Ongoing 5. S151 Officer to review the financial implications and identify funding of the proposals. Aug 22
SR10	Climate change mitigation and adaptation	<p>Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.</p> <p>Principle risk approach: Avoidance/ Transfer/ <b>Mitigation</b> / Acceptance</p>	Major	4	Likely	4	16	<b>Flood management and coastal erosion</b> 1. Shoreline Management Plan (SMP), Wash East Coast Management Strategy, Hunstanton Coastal Management Plan, East Wash Community Interest Company 2. Repairs & maintenance programme 3. Procurement practices 4. Health & Safety checking and monitoring 5. DEFRA funding of capital schemes (should we meet criteria) 6. Coastal monitoring - Anglia Coastal Monitoring Group 7. Control of coastal management schemes through procurement and regular checking 8. Beach recycling undertaken annually 9. Capital programme and emergency repairs reserve 10. Corporate/service planning 11. Joint work with EA and local businesses to fund repairs 12. Local Plan Policy DM18 13. Inter-agency flood group 14. Flood Water Management Officer appointed. 15. Norfolk Strategic Flood Alliance. 16. Drains along promenade jettied and cleansed. 17. 6 monthly stakeholder group with NNDC and GYBC (Old Hunstanton to Yarmouth coastline - Norfolk Coastal Members Board). <b>Carbon emissions</b> 1. Climate change emergency declared, policy approved and	Major	Possible	12	New	<b>Flood management and coastal erosion</b> Capacity issues in short term due to Covid-19 response and staff resourcing. Planning policy being reviewed as part of Local Plan review. New post - Flood Water Mgt Officer start in Dec 2021. Norfolk Strategic Flood Alliance started in April 2021. Cliff monitoring and report completed and published June 2021. Wash Trends report published. 4D radar survey for Hunstanton area. Ongoing work with Lead Local Flood Authority and other agencies re: flooded properties. <b>Carbon emissions</b> 2019/20 council carbon audit completed. Borough wide data analysed for 2017/18 and 2018/19. Policy approved in October 2020 and detailed strategy/action plan to follow in 2021 informed by policy, budget considerations and national policies on green elements to recovery. Council electricity contracts switched to renewable power. King's Reach tree planting project in 2019/20. King's Lynn Transport Study recommendations in progress. Capacity diverted to Covid-19 response and recovery. Successful bids to Green Homes Grant Local Authority Delivery fund via Norfolk Warm Homes Partnership. Supporting local bid to Social Housing Decarbonisation Fund Demonstrator scheme. Build standards for latest major housing project to include EV charging and solar PV on identified properties within the scheme. Two successful bids to the Public Sector Decarbonisation Scheme for £3.8m of improvements to heating systems in council buildings. £1m budget allocated over 4 years to support strategy implementation. UEA intern for 12 months. Audit of council emissions published. Third submission to PSDS. High level assessment of properties underway. Two CRF bids approved and being progress via Norfolk Climate Change Partnership. Ongoing leadership and support to NCCP, including website creation and maintenance. Ongoing updates	Moderate	Unlikely	6	<b>Flood management and coastal erosion</b> 1. Undertake emergency repairs to prom completed as required. Ongoing repairs completed as required. 2. Wash East Coast Stakeholder Group event held Oct 2021 and Mar 22. Next meeting May 2022. Meets six monthly. 3. Joint groyne survey with Environment Agency, Jan 22. Joint paper to Management Team regarding future work programme. 4. Groynes refurbishment works to be completed 2022/23. 5. Establish stakeholder group with NNDC and GYBC (Old Hunstanton to Yarmouth coastline). RFCC considering similar group for remaining Wash area (Lincolnshire/Norfolk group). 6. Tender issued for preventative maintenance on flood gates, Aug 2022. 7. Participation in Norfolk Strategic Flood Alliance. 8. DR chairing multi-agency flood group considering Station Road, Heacham. 9. Promenade Condition Survey to be completed 22/23 to update 2018 survey. Ongoing. 10. Wash East Coast Management Strategy funding group. Ongoing. <b>Carbon emissions</b>



New Ref	Risk title	The risk is that:	Inherent risk without mitigation			Mitigation	Proposed risk score (Oct 2022)			Trend (compared with last review)	Progress at Oct 2022	Target risk			Actions	
			Impact	Likelihood	Score		Impact	Likelihood	Score			Impact	Likelihood	Score		
SR11	Statutory compliance	Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations  Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance	Extreme	5 Likely	4	20	1. Health, Safety & Welfare General Policy in place. 2. Corporate H&S Action Plan reviewed by Management Team and Joint Safety & Welfare Committee on a regular basis. 3. A training programme is ongoing to raise awareness and update knowledge/skills. 4. Independent assessments are carried out to identify any risks. 5. Corporate Officer Group- Health and Safety. 6. Departmental health and safety policies. 7. Departmental risk assessments. 8. Preventative maintenance contracts in place. 9. Assessment of contractor risk assessments. 10. Procurement assessment of tenders. 11. Welfare officer and related external support. 12. Personnel policies and practices. 13. Stress risk assessment as part of annual performance review. 14. Reminders on local requirements for self-isolation. 15. Covid-19 secure risk assessments.	Major	Possible	12	New	Annual play area inspection by ROSPA, July 2020. Covid 19 guidance considered by Norfolk Resilience Forum delivery groups, internal Gold group and Management Team and through corporate health and safety in response to national and industry guidance. Comms campaigns to support changes to services and practices. As a company, Alive Leisure has its own health and safety policy. Bespoke refresher training for SMT in November 2021 on H&S responsibilities.	Moderate	Unlikely	6	1. High level assessment of council estate, Summer 2022 2. District wide BEIS data analysis to be published, Dec 2022. 3. Energy Saving Trust fleet review, Autumn 2022. 4. Planning for Solar Together project, Summer 2022
SR12	Council owned companies	Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.  Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance	Major	4 Likely	4	16	<u>Corporate</u> 1. Review of arrangements considered by Cabinet in November 2022. <u>'Alive West Norfolk</u> 1. Due diligence; financial and legal arrangements. 2. Legal advice and technical expertise bought in where required. 3. Project board established. 4. Strategy, business case, business plan development and management of project risk register. 5. Stakeholder engagement. Communications support. 6. Unit4 - Financial ledger used by AWN. 7. Revised business plan 2021 and monitoring to assess progress. 8. AWN Strategy agreed by AWN Board April 21 9. AWN Operational plan aligned to Strategy April 21 10. National Leisure Recovery Grant of £636k used to support AWN during 20/21 11. Culture Recovery fund of £223k used to support AWN during 20/21 12. Reviewing the management agreement to reflect financial implications. 13. Regular financial monitoring and updates reported to AWN Board.	Major	Possible	12	New	<u>Corporate</u> Report from Anthony Collins Solicitors considered by Cabinet with recommendations to be formally considered by CPP and Cabinet in Nov 2022. Action plan developed to support required changes.  <u>Alive West Norfolk</u> Company operational July 2019. Internal Audit reviewing project to identify gaps.Confirmation of Government partial compensation for loss of income. Alive Corn Exchange awarded £247,690 from Government's Culture Recovery Fund. Facilities and services operational following lifting of national Covid-19 restrictions. Energy costs are met by the council. Company has mitigation plans in place for water treatment. No signs of a reduction in customer demand arising from pressures on household disposable incomes. Business plan assumptions impacted by rising costs including pay awards. AWN Board responsibility to make operational decisions and have regular dialogue with BCKLWN regarding business plan, management fee and ongoing financial issues. Role of Internal Audit in assessing compliance with guidance on council companies and governance mechanisms such as shareholder agreements, business plan, financial arrangements, SLAs, etc. Internal Audit plan going forward 2024. Financial implications for AWN linked to pay award. Management agreement may need to be revisited.	Moderate	Unlikely	6	<u>Corporate</u> 1. Cabinet consideration of Anthony Collins Solicitors report and recommendations,Nov 2022. 2. Implementation of action plan, 2023.

New Ref	Risk title	The risk is that:	Inherent risk without mitigation				Mitigation	Proposed risk score (Oct 2022)			Trend (compared with last review)	Progress at Oct 2022	Target risk			Actions	
			Impact		Likelihood			Score	Impact	Likelihood			Score	Impact	Likelihood		Score
SR13	Contract/ Supply failure	Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.  Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance	Major	4	Likely	4	16	<u>Waste collection</u> 1. Effective contract monitoring and management. 2. Substantial dialogue with the waste collection contractor and three clients over the long term aspirations.	Major	Possible	12	New	<u>Waste collection</u> New contract and Serco commenced April 2021 with operations following the Serco collection model; reorganised collection rounds in liaison with KLWN and Breckland. All of the vehicles delivered. Active contract management being used to ensure high level outcomes are achieved. High level discussions continue with Serco across the 3 authorities to ensure the delivery and success of the contract. County Waste disposal arrangements are favourable. New working arrangements with County Waste Disposal will see enlarged transfer station and de-risk access to the transfer station in the future. Annualised uplift mechanism in contract to respond to inflation. Internal Audit of the contract underway. Engagement by the three councils at a strategic level to meet the long term aspirations of all parties to the contract. Serco insurance cover for employment liability and public liability is not compliant with the £10m required for each in the contract. This is being resolved by the supervising officer (Breckland DC). High level of turnover in senior contract managers. Discussions with Serco chief officers to outline concerns and issues.	Moderate	Unlikely	6	<u>Waste collection</u> 1. Internal Audit of the contract with report to Audit Committee. October 2022. 2. Updates to Corporate Performance Panel. October 2022.
SR14	Cost of living	The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.  Principle risk approach: Avoidance/ Transfer/ <u>Mitigation</u> / Acceptance	Major	4	Likely	4	16	1. Standing item on Management Team. 2. LGA cost of living hub <a href="https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub/cost-living-external-resources">https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub/cost-living-external-resources</a> 3. Corporate officer team established. 4. Promotion of fuel oil group buying scheme. 5. Promotion of Solar Together group buying scheme. 6. Promotion of national grants e.g. boiler upgrade scheme. 7. Externally funded projects to fully fund insulation in targetted properties. 8. "Beat your bills" events across the borough.	Major	Almost certain	20	New	Corporate officer established lead by Assistant to Chief Exec. Promotion of schemes to reduce energy costs e.g. fuel oil buying and installation of solar PV and battery storage. "Beat your bills" events held across borough in Sept 2022. Collaboration with Norfolk Warm Homes to encourage targetted take up of fully funded insulation. Promotion of national boiler upgrade scheme via BCKLWN website.	Moderate	Unlikely	6	1. Promotion of Solar Together Scheme. Applications for 22/23 closed on 27 Sept 2022. 2. "Beat your Bills events". Held in Hunstanton, 30 Sept, Downham Market, 7 Oct and King's Lynn, 14 Oct 2022. 3. Officer Working Group. First working group held on 18 Oct 2022. Ongoing.



### AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	21 <sup>st</sup> November 2022		
TITLE:	Internal Audit Progress Report		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Faye Haywood, Internal Audit Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

### **REPORT SUMMARY/COVER PAGE**

PURPOSE OF REPORT/SUMMARY:
The Audit Committee receive updates on progress made against the Annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
KEY ISSUES:
The current position in relation to the completion of the Internal Audit Plan 2022/23 is shown within the attached report.
OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
The Audit Committee are requested to receive the Progress Report on Internal Audit Activity.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Committee is ensuring that the Internal Audit Service remains compliant with professional auditing standards and are fulfilling their terms of reference.

# Eastern Internal Audit Services



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

**Internal Audit Progress Report**

**Period Covered: 10 June 2022 to 10 November 2022**

**Responsible Officer: Faye Haywood – Internal Audit Manager**

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## 1. INTRODUCTION

- 1.1 This report is issued to assist Borough Council of Kings Lynn and West Norfolk in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Council to determine.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
  - Progress made in delivering the agreed audits for the year;
  - Any significant outcomes arising from finalised audits;

## 2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting in March 2022, the Annual Internal Audit Plan for the year was presented to the Audit Committee. Since this date the following change has been made to the plan.

Audit	Justification
KLWN2221 IT Governance	The IT team are currently supporting an external health check to provide assurance on security controls. We therefore propose this audit is deferred to a time when the team can support us with our audit as no significant risks have been raised in this area.

## 3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 76.5 days of programmed work has been completed, resulting in 30% of the total revised Internal Audit Plan for 2022/23. Progress in 2022/23 is slightly behind due to the team finalising 2021/22 work for the majority of quarter one. However, the team made good progress in catching up during quarter two.

## 4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 Upon completion of each individual audit an assurance level is awarded using the following definitions:

<b>Substantial</b>	Based on the results of the review there is a robust series of suitably designed internal controls in place upon which the organisation relies on to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.
<b>Reasonable</b>	Based on the results of the review, there is a series of internal controls in place, however these could be strengthened to facilitate the organisations management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

<b>Limited</b>	Based on the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
<b>No Assurance</b>	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

- 4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

**High:** Fundamental control issue on which action to implement should be taken within 1 month.

**Medium:** Control issue on which action to implement should be taken within 3 months.

**Low:** Control issue on which action to implement should be taken within 6 months.

- 4.3 During the period covered by the report five reports have been finalised from the 2021/22 Internal Audit Plan:

2021/22 Audit	Assurance	High	Medium	Low
Housing Standards	Reasonable	0	2	4
Waste Management Contract	Limited	2	4	0
Capital Programme	Limited	5	0	1
Food Hygiene, Health & Safety and Public Health	Substantial	0	0	3
Accounts Payable	Reasonable	0	1	4
<b>Total</b>		<b>7</b>	<b>7</b>	<b>12</b>

In addition, two reports from the 2022/23 Internal Audit Plan have now been finalised and are as follows;

2022/23 Audit	Assurance	High	Medium	Low
KLWN2206 Corporate Health and Safety	Substantial	0	0	1
KLWN2219 Corporate Business Continuity	Reasonable	0	2	7
<b>Total</b>		<b>0</b>	<b>2</b>	<b>8</b>

- 4.4 The Executive Summary of these reports are attached at **Appendix 2 & 3**; full copies of these reports can be provided to members upon request.

- 4.5 As can be seen in the tables above as a result of these audits a total of 36 recommendations have been raised and agreed by management.

## APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations			Date to Committee
							High	Medium	Low	
<b>Quarter 1</b>										
Corporate Health and Safety	KLWN2206	10	10	10	Final report issued on 6 October 2022.	Substantial	0	0	1	Nov-22
Business Continuity	KLWN2219	10	10	10	Final report issued on 27 September 2022.	Reasonable	0	2	7	Nov-22
IT governance	KLWN2221	10	0	0	Audit deferred.					
<b>TOTAL</b>		<b>30</b>	<b>20</b>	<b>20</b>						
<b>Quarter 2</b>										
Project Management Framework	KLWN2203	8	8	2.5	Fieldwork underway.					
Business Planning & Performance Management	KLWN2205	12	12	11	Draft report reviewed - soon to be issued.					
Procurement and Contract Management	KLWN2208	12	12	1	Scoping underway.					
Environmental Protection	KLWN2213	12	12	4	Fieldwork underway.					
ASB Community Safety	KLWN2215	10	10	4	Fieldwork underway.					
<b>TOTAL</b>		<b>54</b>	<b>54</b>	<b>22.5</b>						
<b>Quarter 3</b>										
Accounts Receivable	KLWN2209	10	10	2	Fieldwork underway.					
Income	KLWN2210	10	10	0						
Homelessness and Housing Options	KLWN2214	12	12	1	Scoping underway.					
Key Controls and Assurance	KLWN2202	15	15	1						
Economic Growth	KLWN2217	12	12	0						
<b>TOTAL</b>		<b>67</b>	<b>67</b>	<b>4</b>						
<b>Quarter 4</b>										
Software Licensing	KLWN2222	8	8	0						
Towns Fund	KLWN2216	10	12	11	Fieldwork underway.					
Cost Reduction Programme	KLWN2204	10	10	0						
Corporate Governance	KLWN2201	10	10	0						
Network Infrastructure and Security	KLWN2220	10	10	0						
Accountancy Services	KLWN2211	16	16	0						
Climate Sustainability	KLWN2218	10	10	0						
<b>TOTAL</b>		<b>74</b>	<b>76</b>	<b>11</b>						
<b>Audit Management</b>										
EIAS Audit Management inc follow up	N/A	50	50	20						
<b>TOTAL</b>		<b>50</b>	<b>50</b>	<b>20</b>						
<b>TOTAL</b>		<b>267</b>	<b>269</b>	<b>77.5</b>			0	2	8	
<b>Percentage of plan completed</b>				<b>30%</b>						

## Housing Standards - Executive Summary

Our Assurance Opinion: Reasonable			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	2	4	6

Overall Objective and System Background
<p>Housing Standards sits under the Community &amp; Partnerships Directorate. This area was last audited in 2017/18 and was given an overall assurance of Limited. The overall objective of the audit was to gain assurance that the statutory functions of the Housing Standards Department are being appropriately undertaken, in line with the latest legislation/regulations and that relevant information of those statutory functions are being appropriately communicated to relevant stakeholders. The individual objectives were to gain assurance that:</p> <ul style="list-style-type: none"> <li>Processes and procedures are in place and subject to regular review to ensure that they remain up to date.</li> <li>Relevant and up to date information is being provided to tenants and landlords and letting agents for the purposes of HMO inspections, Residential Caravan Sites, Licensing (inc. fees and charges)</li> <li>Licence fees and charges are appropriately applied and recovered for Houses in Multiple Occupation (HMOs) and Residential Caravan Sites</li> <li>Housing Health and Safety Ratings are appropriately conducted and applied to HMOs and relevant evidence is recorded to support the assessment findings.</li> <li>Processes and procedures are in place to assist in identifying and helping to reduce overcrowding.</li> <li>Relevant schemes are in place for the purposes of home energy conservation (i.e., Warm Homes Fund and the Energy Efficiency Project) and relevant and up to date information is accessible to consumers and members of the public who are seeking assistance.</li> <li>Annual reporting is undertaken as required to the Department for Levelling Up, Housing and Communities.</li> </ul>

Summary of Key Control Issues and Risks
<p>The key control issues (<i>and risks</i>) identified in the audit are:</p> <ul style="list-style-type: none"> <li><b>Following correct democratic processes</b> Risk: Previous versions of the Amenity Standards have not followed the democratic process and as such have not been subject to appropriate levels of scrutiny.</li> <li><b>Non-standardised use of inspection forms</b> <ul style="list-style-type: none"> <li>Risk: A consistent approach to inspections may not be being undertaken. Appropriate electronic record keeping may not be being maintained. Duplication of work is being undertaken and therefore resources are being lost as a result.</li> </ul> </li> <li><b>Processes &amp; Procedures subject to regular review</b> <ul style="list-style-type: none"> <li>Risk: Without using version control and dating the procedure documents it is unclear when they were last reviewed and as such whether they have considered recent changes in legislation.</li> </ul> </li> </ul>



- **Non-streamlined processes**

- Risk: Unnecessary time and resources are being spent setting out notices, and there is a risk of inconsistencies within the notice wording and process as a result.

- **Business Continuity**

- Risk: Where there is no internet coverage or a lack of coverage there is a need for appropriate back up / business continuity plans to be in place to conduct inspections.

- **Performance measurement**

- Risk: Without KPIs it is difficult for line management to appropriately set targets and standards to be met within the service area. KPIs allow service areas to continuously improve and develop, as well as highlight areas of achievement and areas where focus/training may be needed. Management Team and members/portfolio holder may not be aware of the performance levels of the Housing Standards Department due to no reporting against KPIs being in place.

### Summary of Key Recommendations

No high priority recommendations have been raised during this audit.

A total of 2 medium priority recommendations have been raised as follows;

- Review the Amenity Standards for Privately Rented Dwellings and ensure the democratic process is followed for their adoption.
- Explore the viability of tablet-based inspection forms.

A total of 4 low priority recommendations have been raised as follows;

- Develop a review programme of the Visio procedures against current regulations/legislation to ensure that they remain up to date. When reviewing procedures use version control and date the documents to show when they were last reviewed.
- Liaise with Idox Administrators and set a time frame and priority for the RIAMS templates to be added to the Idox system.
- Once the tablet-based inspection forms have been explored, replicas of the tablet-based inspection template forms should be held in paper-based format within Inspection visit packs to be used ONLY in the event of a failure in the tablet-based system.
- Specific Key Performance Indicators for the purposes of Housing Standards should be included within the Community and Partnerships Directorate Service Plan. These KPIs should be meaningful, reflecting the work undertaken by the service area. The targets should be realistic in terms of being achievable and time specific.

### Other Points to Note

- Norfolk Warm Homes based at Broadland DC are delivering the funding and our Housing Standards team are ensuring that campaigns and commercials and advertisements are in place to promote these schemes across West Norfolk with £3.8m funding available over LAD3 and HUG. 5 local authorities are working together under the Norfolk Warm Homes (the Borough Council of King's Lynn & West Norfolk, Broadland, South Norfolk, North Norfolk and Breckland).
- Reporting requirements under the Home Energy Conservation Act (HECA) to the Department for Business, Energy & Industrial Strategy (BEIS), LAHRS returns collecting a range of housing information in each local area, in particular HMOs and private dwellings with category 1 hazards, and furthermore Gypsy & Traveller (G&T) counts reporting to the Department for Levelling Up, Housing and

Communities (DLUC) are up to date.

## Waste Management Contract - Executive Summary

Our Assurance Opinion: <b>LIMITED</b>			
No. of Recommendations & Priorities			
High	Medium	Low	Total
2	4	0	6

### Overall Objective and System Background

The overall objective of the audit is to gain assurance that waste services are being provided to the Authority in accordance with the contractual arrangements, that regular contract monitoring takes place, that a robust performance management framework is in place, and that appropriate financial controls are operating.

The Borough Council of King's Lynn & West Norfolk (BCKLWN) have entered into a new waste management partnership with North Norfolk District Council (NNDC) and Breckland Council for the provision of its waste collection services with SERCO. NNDC commenced its Waste Services contract with SERCO on 6<sup>th</sup> April 2020; BCKLWN and Breckland Council joined the contract with effect from 1<sup>st</sup> April 2021, with the contract being for eight years with the option to extend for a further eight years. BCKLWN's Waste Services Contract is valued at circa £3.7M per annum for the length of the contract.

### Summary of Key Control Issues and Risks

The key control issues (*and risks*) identified in the audit are:

- Lack of evidence that an action plan has been agreed with SERCO setting out how they plan to address each of the points raised in the Gap Analysis; consequently, no assurance can be given that the outstanding issues have been resolved. *Risk that outstanding actions will be left in abeyance and gaps in service delivery will remain.*
- Lack of a proportionality check on the performance data provided to the Council by SERCO to gain assurance over the accuracy and validity of the data for both performance KPIs and invoice costs. *Risk that a lack of checks results in an inability to verify the accuracy of the information provided. This in turn would also limit the ability to apply any applicable performance reductions. Risk that invoices for significant amounts (circa £400,000 per month) are not being checked for accuracy prior to approval and authorisation of such large amounts.*
- Actions agreed at the Contract Management Board meetings are included in an Action Log. The Action Log is not dated; therefore, it is not known what the current status is with regards to the outstanding actions. *Risk that identified issues are not resolved in a timely manner resulting in further gaps between actual service provision and contractual obligation.*
- Lack of evidence that an Issues Log is maintained to record any issues which may arise during the contract monitoring process. *Risk that issues are not identified and are therefore not resolved, resulting in gaps between service provision and contractual obligation.*
- Clause 20.1.1 in the contract states that the Public & Product Liability insurance should have a minimum limit of indemnity of £10m for each claim; however, the Public & Products Liability insurance certificate states that the minimum limit of indemnity is £5m. *Risk of financial loss to the Authority if an incident occurs and the contractor does not have sufficient insurance cover.*
- Lack of evidence to show that the risks and mitigations are subject to regular review. *Risks are not managed appropriately, potentially leading to service disruption and additional financial costs.*

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### **Summary of Key Recommendations**

A total of two high priority recommendations have been raised as follows:

- An Action Plan should be agreed with SERCO setting out how they plan to address each of the points raised in the Gap Analysis. The action plan should detail the agreed action, the officer responsible and the due date.
- The Council should undertake a proportionality check on the data provided by Serco, to gain assurance over the accuracy and validity of the data provided and the value of the monthly invoices received.

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

- The Action Log should be reviewed and updated to reflect the current status of the outstanding actions.
- An Issues Log should be maintained to record any issues which may arise during the contract monitoring process.
- The contractor's Public & Products Liability Insurance minimum limit of indemnity should be raised from £5m to £10m for each claim to bring it in line with the minimum limit as stated in the contract (clause 20.1.1).
- Risks associated with the waste contract and the robustness of the mitigations put in place, as stated in the Corporate Risk Register, should be subject to regular review.

### **Other Points to Note**

- There is a robust complaints handling process in place enabling complaints to be addressed in accordance with contractual requirements.
- Customer satisfaction surveys are requested and completed with a high level of satisfaction reported overall for 2021/22 (97%).

## Capital Programme - Executive Summary

Our Assurance Opinion: <b>LIMITED</b>			
No. of Recommendations & Priorities			
High	Medium	Low	Total
5	0	1	6

Overall Objective and System Background
<p>The Capital Strategy outlines the principles and framework that shape the Council's capital decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.</p> <p>The Capital Strategy will be updated annually and will be put before Cabinet alongside the Treasury Management Strategy so that it can be approved before the year to which it relates begins. The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.</p> <p>The capital strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.</p> <p>The CIPFA Prudential Code for Capital Finance in Local Authorities (2017) states that authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement or priority outcomes.</p> <p>There has been a total of £27,961,000 worth of new schemes added to the Capital Programme 2021-2026. £25,210,000 worth of new schemes (90% of additional schemes) is from the Town Funds/Town Investment Plan (TIP). Due to the scale of finance involved and potential risks associated with these projects for the Council, the auditor focused on reviewing arrangements for the two TIP projects that have started.</p> <p>The two live projects are the Public Realm Project and the Youth Retraining Pledge (YRP) Project. The remaining five projects that are included in the TIP are yet to require the final business cases to be submitted to Central Government, although the business case for the final project will be completed and signed off in October 2022. It is hoped that when future audits in 2022/23 are undertaken for Project Management and Towns Fund, the remaining TIP projects will be in a position where these projects can be included within the scope of these reviews.</p> <p>The main projects related to the Towns Fund, as reported to Cabinet on 9<sup>th</sup> February 2022 within the Capital Programme and Resources Report - Appendix 2, were:</p> <ul style="list-style-type: none"> <li>• Town Centre Repurposing (£1,720,000);</li> <li>• St. Georges Guildhall Complex (£4,765,000);</li> <li>• Active and Clean Connectivity (£6,614,000);</li> <li>• Riverfront Regeneration (£6,431,000); and</li> <li>• Multi-User Community Hub (£4,291,000).</li> </ul> <p>These projects have since been revised, and an updated allocation per project, was reported to Cabinet on 8<sup>th</sup> June 2022. The revised costs were the following: -</p> <ul style="list-style-type: none"> <li>• Town Centre Repurposing (£NIL);</li> <li>• St. Georges Guildhall Complex (£8,097,181);</li> <li>• Active and Clean Connectivity (£4,232,876);</li> </ul>

- Riverfront Regeneration (£4,178,943); and
- Multi-User Community Hub (£7,400,000).

The overall projects total equates to £25,000,000. There are potential contributions of £3,326,190 from the St Georges Guildhall Complex Heritage Lottery Contribution, and £1,878,000 from the Active and Clean Connectivity Business Rate Pool.

As a result of tight timescales and prescriptive method by central government to submit project bids, a more in-depth project feasibility and scoping process has been followed for TIP projects which has not observed for other capital projects in the programme.

The auditor has reviewed the various documentation for the TIP projects, from Heads of Terms to Draft Business Cases, and Final Business Cases. The Final Business Cases incorporate feedback received from the draft Business Cases submitted to Central Government.

Major Projects overall equate to £128,660,630 (87%) of the total Capital Programme of £146,990,160 less Exempt Schemes. When Exempt Schemes, equating to £40,493,440 are included, this percentage drops to 68% of the Capital Programme overall.

Exempt Schemes totalling £40,493,440 equate to 21% of the total Capital Programme overall.

The most recent Capital Programme submission was provided to Full Council on 23<sup>rd</sup> February 2022.

The previous audit of Capital Programme was undertaken in 2016/17 and Substantial Assurance was provided.

### Summary of Key Control Issues and Risks

The key control issues (*and risks*) identified in the audit are:

- Proposals for items/projects to be included in the Capital Programme are discussed with Management Team (around December time), and a report is taken to Council for all Members to discuss and decide which projects will be included on the Capital Programme. Any amendments needed to the report prior to it going to Council for approval are then included in the monthly monitoring report.
- The proposals when presented to Management Team do not include the following information: -
  - The value of the projects/items on an individual proposal is based either on known historical costs for projects/items, or costs derived from similar projects undertaken by the Council or similar projects undertaken by other local authorities.
  - The value of the project/item is required to be “paid back” through Unsupported Borrowings.
  - Confirmation that the cost of the project/item has been checked with the relevant Executive Director/Assistant Director, prior to being presented to Management Team.
  - Project risks are not currently included within reports provided to Management Team and Cabinet. The most recent Capital Estimate Report was provided in February 2022.
- On occasion, potential projects are discussed in a committee or panel meeting, and then the information is relayed back to Management Team and finance regarding project costs.

- Risk: When projects are submitted to Management Team, and subsequently

Cabinet to be included within the Capital Programme, the full extent of resource requirements, financial implications and current/emerging risks are not fully considered. This results in these areas of the project not being as accurate as possible, enabling an informed decision on the project to be made.

- A high-level scope for each project for the Capital Programme is provided by Service Managers, discussed and assessed by Management Team and approved by the relevant Panel or Committee, Cabinet and potentially Full Council.
- When the project reaches the Officer Major Project Board (OMPb), this is the stage where the project is developed fully into a Project Brief and Project PID to ascertain the full details, expectations and implications of the project as a whole.
- Risk: Historical projects have not had a consistent method of appraising, and demonstrating, the viability of a project to ensure: -
  - they align with Corporate Objectives and Aims;
  - financial, resource and project risks have been identified as fully as possible; and
  - where risks have been identified these have been considered in advance of making a decision about whether to go ahead with the project.
- Projects are discussed during the monthly OMPb meetings and progress monitored by way of updates provided by each Project Sponsor, or Project Manager, at appropriate intervals. If there are any concerns with any projects these can be added to the agenda for the next meeting of the OMPb. The minutes of OMPb meetings are attached to the agenda of the Member Major Project Board (MMPb) meetings.

Within the Draft Business Cases that each TIP project will be required to be submitted to Central Government before the allocated funding is received, there is a section within the Strategic Case outlining how objectives of the project will be measured effectively along with milestone deadlines. However, progress against project objectives and milestones are not currently reported to OMPb.

- Risk: Without an effective plan to report milestones in project timescales, any amendments to the original project expectations and their subsequent effect on financial budget, resource requirement and project risks may not be known to relevant officers and Members.
- When the auditor was looking into the projects classed as “Exempt Schemes” and discussed with the relevant Finance Officer, it was found that all of these projects were no longer classed as “Exempt Schemes”. The projects themselves, or documents related to the projects, had either been discussed or made available to view in a public forum. Discussions had mainly occurred during Planning Committee.
- Risk: There could be confusion as to why some projects in the Capital Programme have been classified as “Exempt Schemes”, when they have been discussed or documented within open forums such as Planning Committee.

### **Summary of Key Recommendations**

A total of one overarching recommendation has been raised as follows:

- Consider creating a suite of documents to enable a complete and fully informed decision-making process.



The suite of documents should include the following: -

- A pre-project proposal form/start up form (capturing the information suggested within this Capital Programme Audit Report)
- A project closure form – to evaluate and carry out a lesson learned assessment. The form could also be used to ensure the budget code provided to the project is now concluded, and all payments for the project have been made by and received by the Council.
- A Flowchart of the proposal through to project closure cycle would be helpful. Included within the initial checklist suite of documents could act as a prompt for each step in the project cycle. This could be referred back to for ease of reference.
- A Project register – to keep a file for each project by reference number (this can then assist with the Shared drive idea and allow the key responsible relevant officers to have access to the relevant project references). The register would: -
  - allow a record to be kept of all projects currently being undertaken;
  - allow statistics to be produced on project information;
  - enable officers to easily identify the current status, and work undertaken, of a project;
  - information contained within the shared drive would enable knowledge to be shared, skills to be retained and passed on through the project, information would be accessible within one designated area rather than being saved in multiple locations which is not easily accessible to some officers.

A total of four high priority recommendations have been raised as follows;

- The feasibility process should be enhanced before projects are submitted for inclusion within the Capital Programme.

Detailed information relating to finance, resource and risks should be included within project information submitted to Management Team for consideration.

- There should be a consistent approach to appraising the viability of a project, enabling officers and Members to be fully informed about a project, prior to inclusion on the Capital Programme.

There is ongoing dialogue with the Chair of the Officer Major Project Board (OMPB) regarding the Terms of Reference for the Project Development Group (PDG) and the OMPB. The PDG could be the mechanism to assess the viability of a project prior to Management Team and Cabinet approval, ensuring a consistent approach to appraising project viability.

The documentation used for the projects within the Town Investment Plan (TIP), and subsequently submitted to Central Government as Business Cases, to be considered for use as a template for all capital projects using consistent headings that include: -

- Objectives;
- Aims;
- Scope;
- Financial implications;
- Resource requirements; and
- Risk Registers.

- During the lifespan of a project, the Project Sponsor should provide updates to the OMPB in line with documented milestones, or when there are any amendments to the project, especially regarding finances, resources and risks.

A total of one low priority recommendation has been raised as follows;

- As per discussion between the auditor and the Finance Officer during the course of the audit being undertaken, the projects should be removed from the Exempt Scheme listing to the Revised Scheme listing, so that there is no misunderstanding related to transparency of the relevant schemes.

#### **Other Points to Note**

- Recommendations from the previous audit of the Capital Programme in 2016/17 have been completed.
- Recommendations arising from the KLIC Lessons Learnt exercise, and the changes made by Senior Officers and Members regarding the Member and Officer Major Project Boards, have been reported to Audit Committee in April 2022 and continue to be developed with input from Audit Committee.

## Food Hygiene, Health & Safety and Public Health - Executive Summary

Our Assurance Opinion: <b>SUBSTANTIAL</b>			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	0	3	3

Overall Objective and System Background
<p>The overall objective of the audit is to gain assurance in respect of controls to ensure the appropriate and effective assessment of standards of food hygiene, health and safety and public health within the Borough are being upheld.</p> <p>A previous audit was conducted in July 2016 and the subject area was given a Substantial assurance level.</p> <p>The Council has a statutory obligation to ensure, and maintain, procedures for official Controls in food. There is a requirement for the Council to inspect businesses providing food to the public, to adhere to Food Law code of practice, and provide each establishment with a Food Hygiene Rating. This rating allows consumers to easily understand a businesses compliance with Food Safety law. Each premises is inspected and given a rating from 0 – 5.</p> <p>When a business is inspected by an officer, they look at:</p> <ul style="list-style-type: none"> <li>• food hygiene and safety - how food is prepared, stored, cooked, reheated and cooled</li> <li>• structure and cleaning</li> <li>• confidence in management</li> </ul> <p>Inspectors <b>do not</b> score a business in relation to food portion size, taste or quality. Businesses in England are not legally required to display their ratings. Consumers have to make their own decision about visiting premises who don't display their score.</p> <p>The ratings are as follows:-</p> <ul style="list-style-type: none"> <li>• 5 – Very Good;</li> <li>• 4 – Good;</li> <li>• 3 – Satisfactory;</li> <li>• 2 – Improvement necessary;</li> <li>• 1 – Major improvement necessary; and</li> <li>• 0 – Urgent Improvement necessary</li> </ul> <p>The Council undertakes initial inspections of businesses and follow-up inspections to ensure any recommendations from the initial inspection have been carried out to improve the hygiene rating.</p> <p>Section 18(4) of the Health and Safety at Work etc. Act 1974 places a duty on Local Authorities to make 'adequate arrangements for the enforcement' of health and safety. This allows the Environmental Health Team to enforce non-compliance with regulations and especially during recent times, the rules and regulations pertaining to Covid-19 and re-opening of businesses and venues.</p> <p>This is not the same as Corporate Health and Safety which focuses on employee Health and Safety, which will be audited separately.</p> <p>The Council has a duty to residents to ensure the quality of the water supplies are adequate for human consumption within the Water Industries Act and Private Water Supply</p>

## Regulations.

The Council has a requirement to undertake monitoring of shellfish and seawater to maintain shellfish classification for shellfish industry to allow them to gather and process.

The legislation covering this is the Public Health Control of Diseases Act 1984 implementing the International Health Regulation 2005 for Port Health functions.

Both the quality of the water supplies and shellfish and seawater are also included within Health Protection regulations for Infectious Disease Control.

### Summary of Key Control Issues and Risks

The key control issues (*and risks*) identified in the audit are:

- 28 of the 30 procedural documents used are overdue for a review, which the department are aware of and plan to review these documents when possible. The only documents that are not overdue are the “Applying for a warrant” and “National Food Hygiene Rating 2020” documents. However, the “Applying for a warrant” does also state that the Last Review and Next Review date are the same.
  - Risk: Documents are not fit for purpose as they are out of date and this could result in officers following incorrect procedures.
  - Risk: Inefficiencies within an officer’s role due to lack of correct referencing to other documents.
- The Infectious Disease Investigation document to be updated to include reference to Covid-19.
  - Risk: Infectious Disease information is out of date.
- The Joint Safety and Welfare Committee should meet every six months according to the Health Safety Welfare Policy, but the committee has not met since January 2021.
  - Risk: The Committee are not following the rules within the Corporate Policy or their own Constitution.

### Summary of Key Recommendations

A total of three low priority recommendations have been raised as follows;

- Review and update the Procedure Guidance Documents to ensure all officers are using the most current and up to date information available. The review should also include the checking and updating of any hyperlinks to other documents or websites contained within.
- A reference to Covid-19 (and any known variants), and any known diseases not mentioned in the previous review, should be included within the Infectious Disease Investigation document.
- The Joint Safety and Welfare Committee should either:-
  - a) meet every 6 months as is stated within the Health safety and Welfare Policy, or
  - b) amend the policy to accurately reflect the frequency of meetings occurring each year.

## Accounts Payable - Executive Summary

**Our Assurance Opinion: REASONABLE**

No. of Recommendations & Priorities			
High	Medium	Low	Total
0	1	4	5

### Overall Objective and System Background

As part of the Internal Audit Plan for 2021-2022, an audit has been undertaken to gain assurance that robust processes are in place within the Accounts Payable system for the ordering, receipt and payment of goods and services supplied to the Authority.

Accounts Payable is the system for the paying of the suppliers of goods and services which have been ordered and supplied to enable the Authority to deliver its business objectives. During 2020/21, the Authority processed a total of 20,910 transactions with a total value of £58,526,996. The Authority's Financial Regulations and Contract Standing Orders detail the internal control requirements relating to the procurement of goods and services, and the payment of accounts.

With effect from April 2020, the Authority introduced a new accounting package, Unit 4, to replace the previous QSP system.

### Summary of Key Control Issues and Risks

The key control issues (*and risks*) identified in the audit are:

- The review of corporate credit card transactions identified several instances where a valid receipt was missing from the documentation held. Generally, VAT receipts are missing where items are purchased online, particularly on Amazon; however, Finance are aware of the need to chase up card holders if a valid receipt is not provided. Internal Audit emailed several card holders where a receipt or a paid invoice had not been provided initially; in most cases either a receipt or paid invoice were then provided, or an explanation as to why it was not possible to obtain a receipt. *Risk that corporate credit cards are used to purchase unauthorised goods or services.*

### Summary of Key Recommendations

One Medium priority recommendation has been made:

- Corporate Credit Card holders should be reminded of the requirement to provide adequate supporting documentation, such as a valid VAT receipt, and for all transactions to be authorised. Any expenditure claims which do not have adequate supporting documentation or are not authorised, should be returned to the card holder.

Four Low priority recommendations have been made:

- The Financial Regulations should state that budget managers should ensure that there are sufficient funds in their budget before authorising the purchase of goods/services so that they do not exceed their approved budget.
- The Financial Regulations should be updated to include reference to the security marking of assets.
- The Financial Regulations should state that invoices should only be accepted by the Payments section if they appear legitimate and show details of supplier quantity, details of the goods/services received, PO number, invoice value, and VAT registration number where applicable.
- The Supplier ID no. included in the Quarterly Purchase Order Report published on the

Council's website should be removed and replaced with a new unique referencing number. For those reports already published, the Supplier ID should be redacted or replaced with a unique referencing number.

### **Summary of Agreed Actions**

The Financial Services Manager has agreed to implement the following:

- A reminder will be sent to cardholders and their line managers of the requirement to provide adequate supporting documentation, including a valid VAT receipt, and for all transactions to be authorised. Cardholders and line managers will be reminded of the consequences of the full charge being borne by the service if valid VAT receipts are not provided and of HMRC penalties against the Council, with continued failure to provide receipts potentially leading to investigation to ascertain the legitimacy of purchases. The FSM will draft a suitable reminder in conjunction with the Procurement Team.
- Financial Regulations will be reviewed to include a specific supporting document outlining budget manager responsibilities.
- Financial Regulations will include the security marking of assets.
- The Group Accountant will provide training on acceptable and unacceptable examples of invoices, and provide written instructions to the Payments Team.
- Once the Procurement Team have considered the recommendation against the necessary transparency rules, then if they agree, the Group Accountant will lead on revising the output.

## **APPENDIX 3 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23**

### **Corporate Health & Safety - Executive Summary**

**Our Assurance Opinion: SUBSTANTIAL**



No. of Recommendations & Priorities			
High	Medium	Low	Total
0	0	1	1

Overall Objective and System Background
<p>The overall objective of the audit is to gain assurance that processes and procedures for Corporate Health and Safety are robust and appropriately documented. In particular incident and accident management, staff training and Health &amp; Safety Boards.</p> <p>There are standard forms that are required to be completed for accidents and occurrences. The forms are from the Health and Safety Executive (HSE) website. Departments are aware of these and do complete these where necessary.</p> <p>It is specified within the Health and Safety Welfare Policy October 2019, Section 3.6 Reporting and Investigation of Accidents and Dangerous Occurrences, the following:-</p> <p>“The Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (RIDDOR) 2013 places a legal obligation on employers to report certain categories of injuries, diseases and dangerous occurrences to the Health and Safety Executive (HSE).</p> <p>Additionally it is the policy of the Council that all accidents, incidents and dangerous occurrences, near miss and undesired circumstances however slight, be reported through Line Managers to Corporate Health and Safety. An incident, dangerous occurrence or near miss is an event that, while not causing harm, has the potential to cause injury or ill health”</p> <p>The total number of accidents reported through the Accident/Incident Form Process for the previous 3 years (up to 31/12/20) is as follows:-</p> <p>01/04/18 – 31/03/19 – 1 RIDDOR case, and 39 Non-RIDDOR cases;  01/04/19 – 31/03/20 – 8 RIDDOR cases, and 22 Non-RIDDOR cases; and  01/04/20 – 31/12/20 – No RIDDOR cases, and 11 Non-RIDDOR cases.</p> <p>Overall between 01 April 2018 and 31 December 2020 there have been 81 cases in total (both RIDDOR and Non-RIDDOR reportable). Of these 81 cases, 9 overall were reportable (11%)</p> <p>The Committee that would usually receive any information regarding reportable incidents would be the Joint Safety and Welfare Committee. This Committee should meet every six months according to the Health Safety Welfare Policy, but the committee has not met since January 2021.</p>

Summary of Key Control Issues and Risks
<p>The key control issues (<i>and risks</i>) identified in the audit are:</p> <ul style="list-style-type: none"> <li>• Previous testing information relating to Fire Risk Assessments has not been available for the inspectors, despite officers having adequate prior warning of when the inspection due. Reviews are conducted annually predominantly. <ul style="list-style-type: none"> <li>- Risk: The lack of documentation from previous Fire Risk Assessments, in readiness for when annual reviews are being conducted, is resulting in the same actions continually being included in the assessment.</li> </ul> </li> </ul>

Summary of Key Recommendations
<p>A total of one low priority recommendation has been raised as follows;</p> <ul style="list-style-type: none"> <li>• There should be a creation of a checklist to ensure each site due for a Fire Risk</li> </ul>

Assessment has the relevant documentation on site when the inspection is undertaken. If documentation required is not usually stored on site, a request should be made to the relevant officer to provide the information in advance of inspection.

#### Other Points to Note

- There were two other areas where additional recommendations were made, but these have already been included within recent audits of Policies and Food Hygiene, Health & Safety and Public Health.
- Where the auditor found an inconsistency in the documentation within Insite, this was reviewed and rectified in a timely manner.

## Corporate Business Continuity - Executive Summary

Our Assurance Opinion: REASONABLE			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	2	7	9

## Overall Objective and System Background

The Borough Council is a Category 1 responder under the terms of the Civil Contingencies Act 2004 and as such is required to put in place Business Continuity Management arrangements.

The Civil Contingencies Act 2004, as it relates to Business Continuity, requires the Council to:

- a. Maintain plans to ensure that they can continue to exercise critical functions in the event of an emergency as far as reasonably practicable;
- b. Include exercises within Business Continuity arrangements, to ensure the approach is effective, and arrangements for the provision of training to those involved;
- c. Review its BC arrangements and keep them up to date;
- d. Have regard to assessment of both internal and external risks when developing and reviewing its BC arrangements;
- e. Have a clear procedure for invoking BC plans;
- f. Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- g. Provide advice and assistance to businesses and voluntary organisations about business continuity management

The Council's Business Continuity arrangements are specified in "Business Continuity Management: Policy Statement and Strategy which was last revised in September 2017 (5th Edition). This is currently being reviewed and revised. The new edition was drafted in May 2022.

Business Continuity is referred to within the BCM Policy and Strategy 2022 document as "A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities. BCM is therefore about the council preparing for a disaster, incident or event that could affect the delivery of services. The aim being that at all times critical activities are maintained; and that key elements of other services are maintained, where possible, at a basic level and brought back up to an acceptable level of service as soon as possible."

A "Critical Activity" is identified by Management Team and defined as "critical and need to be up and running within 24 hours in the event of a Business Continuity incident". Critical activities are reviewed annually – the 2022 review was discussed by Management Team in February 2022. The key criteria applied in assessing critical activities is whether or not it has to run on a "24/7" basis – services that do not deliver over Bank Holiday weekends or the Christmas break by definition cannot be critical.

The current designated critical activities are:

- CIC (Responding to customer contacts)
- Corporate communications (controlled communications, including the website)
- Emergency Planning
- Homelessness
- ICT
- CCTV responsive functions control room
- Incident Management Team (Executive Directors)
- Personnel – staff contact details only (not normal business)
- Property Services (buildings management)
- (Seasonal) – Electoral Services – if a critical period

- (Seasonal) – Environmental Health – Food safety / Health & safety team
- (Seasonal) – Environmental health – Environmental Quality Team.

There are also four generic threats for Business Continuity risks:

- Loss of Kings Court
- Loss of staff
- Loss of ICT
- Fuel shortage

Bronze level plans in turn assess their requirements against these risks in considering business impact

The overall objective of the audit is to gain assurance in respect of controls to ensure the effective continuity (or timely restoration) of Council services in the event of their delivery being disrupted.

An annual METIS exercise is conducted to test the Council's Business Continuity Plans; however, due to the pandemic, the last training exercise conducted occurred in 2019. METIS 20 was a BC exercise responding live to the pandemic, it involved loss of staff and loss of building and activated the Work Area Recovery Plan which was created as a result of Metis 19.

Exercise Metis 21 was facilitated by the Emergency Planning team with support from other members of the Corporate Officer Group. Following the exercise an Exercise Report will be produced. Exercise Metis 21 will be a Table Top Exercise (TTX) run on MS teams. Participants from the incident management team and critical teams will be presented with a scenario around a cyber incident.

### Summary of Key Control Issues and Risks

The key control issues (*and risks*) identified in the audit are:

After a discussion with the Communications Manager it was found that although Senior Management inform Communications of the initial situation when possible, this may occur after the Communications Team have already begun to receive enquiries from the press and public, and this means the Communications Team have to be careful about what is mentioned as they may not be fully informed of the incident at that time.

- Risk: Lack of clarity and detailed information on a Business Continuity incident for the Communications Team, will lead to a lack of preparedness for enquiries from the public and media. If communication is not clear and consistent this could lead to a lack of trust and reputational damage to the Council when dealing with an incident.

The BC Portal was originally designed as a quick and ready way of accessing information in a Business Continuity incident. This information is now stored within Resilience Direct, which is accessed by the District Emergency Planning Officer.

The web address for the BC Portal is on the back of each officers ID badge. The Communications Manager stated that they do not have access to the BC Portal, and also do not have the ability to add/edit any BC incident information appropriately.

- Risk: Officers and Members may not be aware that the latest information on a BC incident is held on Resilience Direct, rather than the BC Portal. The Communications Manager is unable to access the BC Portal, and inform officers/members of an incident.

### Summary of Key Recommendations

A total of two medium priority recommendations have been raised as follows;

- The Communications Manager should be included within the Significant Incident Team discussions, to enable the Communications Team to be informed of the incident. This would aid the Communications Team in dealing with incident enquiries, and provide a consistent response to the public and media.
- Review whether the BC Portal is the appropriate way to disseminate the information of a BC Incident to officers and members.

Once the most appropriate way to disseminate information to officers and members has been decided, the Communications Manager should have access to this and have the ability to add/edit BC incident information appropriately.

A total of 7 low priority recommendations have been raised as follows;

- The BCM – IRP – Appendix C – Incident Response Checklist should be amended to reference the correct Incident Recovery Plan documentation.
- Amend the BC Plans to denote “Critical” officers within Service Areas, so these officers can be easily identified if necessary.
- There should be a standard template communications response template, for each of the identified Threat Cards. This again would enable a clear and consistent message to be provided to officers, Members, the public and media.
- There should be a clear and consistent process to ensure all parties involved in the incident are aware that the incident has come to a close, especially the public and media.

Departments should ensure that main supplier(s) information can be accessed in the event of a Business Continuity incident, where they are unable to access their relevant ICT systems. Consider whether this access could be included within the new BC Portal plans, so copies can be accessed via cloud-based storage.

Where departments have contracts with a 3<sup>rd</sup> party, and Business Continuity Plans have been included within the contract, departments should receive an annual communications update to ensure the BC plans are still relevant and fit for purpose.

- Consider the level required on individual credit card limits for both BCKLWN and AWN officers, now that the Council is in the Business-as-Usual phase of the Covid-19 pandemic.

Consider the inclusion of AWN officers individual credit card limits within the BERRP when it is next updated.

- Consider whether copies of key documentation, and access, could be included within the new BC Portal plans, so copies can be accessed via cloud-based storage.

Relevant BC Plan holders should receive an annual communications update to ensure their BC documentation are still current and up to date.

### Other Points to Note

- Overall the findings of the audit allowed the auditor to see good controls that ensure effective continuity of Council services in the event of delivery being disrupted.
- A finding originally raised concerning the Council's insurance arrangements, was rectified prior to the report and is now resolved.
- The current Business Continuity plans of all teams, do show that relevant documentation can be accessed, and any interdependencies with other departments is known.
- The financial procedures in place allow for the Council to follow regulations and policies during a Business Continuity incident.
- There are provisions in place to ensure that insurance claims required to be/made, as a

result of a Business Continuity incident, are recorded appropriately.



### AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	21 <sup>st</sup> November 2022		
TITLE:	Internal Audit Follow Up of Outstanding Recommendations report		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Faye Haywood, Internal Audit Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

### **REPORT SUMMARY/COVER PAGE**

PURPOSE OF REPORT/SUMMARY:
This report seeks to provide an update on the status of all internal audit recommendations, highlighting management responses where any are over the agreed deadline for completion.
KEY ISSUES:
The current position in relation to the outstanding internal audit recommendations is shown within the attached report.
OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
The Audit Committee are requested to receive the Internal Audit Follow Up of Outstanding Recommendations report.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Committee is satisfying itself that progress is being made to close outstanding internal audit recommendations, contributing towards effective governance and fulfilling their terms of reference.

# Borough Council of King's Lynn and West Norfolk

## Internal Audit Follow Up of recommendations report

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## 1. INTRODUCTION

- 1.1 This report is being issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards requires the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.

## 2. STATUS OF RECOMMENDATIONS

- 2.1 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Manager and the Internal Audit Trainee on a regular basis and reported through to Audit Committee. Verification work is also undertaken for those recommendations that are reported as closed. This is the second time the full report has been presented.
- 2.2 In our report to the committee June 2022, a total of 131 recommendations were highlighted as being outstanding and a commitment was made to ensuring that good progress was made to reduce this number in time for the next report.
- 2.3 An exercise has been undertaken with each of the service areas responsible for the outstanding recommendations to review the current position. This has involved gathering evidence to demonstrate completion of high and medium recommendations and closing low recommendations that are historical and are no longer perceived to represent a threat to the achievement of the Council's objectives.
- 2.4 Considerable progress has been demonstrated with a total of 114 recommendations being closed from June 2022 – November 2022. This report now contains a total of 63 outstanding internal audit recommendations (four high, 44 medium and 15 low). This number includes recommendations from audits during 2021/22 which have recently fallen overdue.
- 2.5 **Appendix 1** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken to enable the Committee to easily identify historical outstanding recommendations. The table also identifies outstanding recommendations that have now fallen overdue.
- 2.6 **Appendices 2, 3, 4 and 5** to this report show the details of any high and medium priority outstanding recommendations split by the year in which they were raised. The outstanding recommendations included within each appendix also provides a progress update and a new expected deadline from each responsible officer.
- 2.7 Progress on outstanding internal audit recommendations will continue to be reported to Management Team and the Audit Committee. In areas where 'no response' has been provided, it is suggested that the revised follow up process still requires embedding. We will continue to work with the Management Team to ensure that the completion of internal audit recommendations continues to be a priority.

## APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Closed from 20 June 2022 to 8 November 2022			Outstanding			Total Outstanding	Not Yet Due		
			High	Medium	Low	High	Medium	Low		High	Medium	Low
Audit Ref	Audit Area	Assurance Level										
<b>2016/17 Internal Audit Reviews</b>												
16/17.4	Insurance	Substantial		2					0			
<b>2017/18 Internal Audit Reviews</b>												
17/18.3	Ethical Culture	Substantial			1				0			
CO8	Asset Management	Substantial		3	1				0			
<b>2018/19 Internal Audit Reviews</b>												
CO7	Accounts Receivable	Full		4					0			
18/19.2	Legal Services	Substantial		1	3				0			
18/19.14	Waste & Recycling	Substantial		2			1		1			
18/19.7	Vehicle Fleet	Substantial			2		3		3			
18/19.8	General Data Protection Regulations 2016 & Data Protection Act 2018	Substantial			9		2		2			
<b>2019/20 Internal Audit Reviews</b>												
19/20.2	Anti-Fraud, Bribery & Corruption	Substantial		3			1		1			
19/20.1	Annual Governance Statement	Substantial		1	1		1		1			
19/20.8	Car Parking & Civil Enforcement	Substantial		1	7		3		3			
19/20.5	Careline	Substantial			1		5		5			
19/20.7	Alive West Norfolk - Governance	Substantial			3	1	1		2			
19/20.3	Whistleblowing Arrangements	Substantial			10				0			1
N/A	Personal Identifier & Financial Relationship	Substantial		1			1		1			
18/19.3	Child Protection	Substantial			3	1			1			
19/20.4	Council Offices & Sites	Substantial		1	5		2		2			
19/20.12	Planning Support	Substantial		1	4		2		2			
19/20.6	ICT - Document Management	Substantial			2		2		2			

			Closed from 20 June 2022 to 8 November 2022			Outstanding			Total Outstanding	Not Yet Due		
			High	Medium	Low	High	Medium	Low		High	Medium	Low
Audit Ref	Audit Area	Assurance Level										
<b>2020/21 Internal Audit Reviews</b>												
20/21.11	CCTV	Substantial			2				0			
20/21.12	Planning Control	Limited		1	1				0			
	ICT - Cyber Security	Substantial		4	3		1		1			
20/21.16	Planning Enforcement	Substantial			3				0			
<b>2021/22 Internal Audit Reviews</b>												
21/22.3	Covid-19 Business Grants Post Assurance	Consultancy		1					0			
21/22.10	Emergency Planning & Management	Reasonable					2		2			
	Regeneration & Economic Development	Substantial					4		4			
20/21.17	Street Cleansing	Substantial			4				0			
CO4	Benefits	Reasonable		2	1				0			
21/22.9	Alive West Norfolk	Limited				2	1	3	6			
CO9	Financial Governance & Budgetary Control	Reasonable		2	2		1	3	4			
20/21.1	Policies	Reasonable							0		4	6
21/22.8	Data Sharing Arrangements/Information Legislation	Substantial					2		2			
CO1	CTAX & NNDR	Reasonable		1	3			2	2			
21/22.14	Licensing	Substantial						2	2			
	Disaster Recovery	Reasonable		2			3		3			3
	Payroll	Substantial			2				0			
CO2	Accounts Payable	Reasonable		1				2	2			2
	Food Hygiene, Health and Safety & Public Health	Substantial						1	1			2
	Waste Management Contract	Limited					4		4	1		
	Capital Programme	Limited			1				0	5		
	Housing Standards	Reasonable							0		2	3
CO3	Financial Management Systems	Reasonable		1	2			1	1			
20/21.16	Planning Enforcement	Substantial		2	1		2	1	3			
<b>2022/23 Internal Audit Reviews</b>												
KLWN2219	Business Continuity	Reasonable							0		2	7
KLWN2209	Corporate Health and Safety	Substantial							0			1
<b>TOTALS</b>			<b>0</b>	<b>37</b>	<b>77</b>	<b>4</b>	<b>44</b>	<b>15</b>	<b>63</b>	<b>6</b>	<b>8</b>	<b>25</b>

## APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2018/19

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Waste & Recycling	Conduct more frequent inspections and hotspot / heatmapping activities when the new contract is fully implemented.	Medium	AD Operations & Commercial	31/07/2021	30/04/2023	Outstanding	Contractor technology has been slower to implement than anticipated, however our data analyst will be carrying out heatmapping in Q4 2022/23 and will use this data to target high incidence areas. The reason to leave this until Q4 is that during Q3 there is a district wide emphasis on recycling to cover the Christmas period.
Vehicle Fleet	Before updating the Fuel spreadsheet, the Admin Assistant should verify with the Operations Assistant, that the vehicle should be added to the data.	Medium	AD Operations & Commercial	30/09/2020	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Vehicle Fleet	All applicable vehicles should be correctly recorded within Technology Forge.	Medium	AD Operations & Commercial	31/12/2020	N/A	Outstanding	No update received.
Vehicle Fleet	If part-exchange is involved when purchasing new vehicles / equipment, there should be a clear indication on the purchase documents of the value of part-exchange received and the records should be easily attainable from within the finance system. (See Recommendation Number Three).	Medium	AD Operations & Commercial	31/03/2021	N/A	Outstanding	No update received.
General Data Protection Regulations 2016 & Data Protection Act 2018	The revised Data Protection Policy (DPP) should go through the prescribed approval process and, if deemed appropriate, be approved by Cabinet.	Medium	Deputy SIRO	31/12/2019	31/03/2023	Outstanding	Aiming to present the policy to Cabinet in the first quarter of 2023. There is a need to agree if Deputy SIRO or Monitoring Officer takes the policy through the Cabinet process.



Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
General Data Protection Regulations 2016 & Data Protection Act 2018	The revised DPP should be publicised to officers and Members. This could be done via an article in Internal Affairs.	Medium	Deputy SIRO	31/12/2019	31/03/2023	Outstanding	The revised DPP will be publicised following Cabinet approval, as per above update.

### APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2019/20

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Anti-Fraud, Bribery & Corruption	<p>Fraud awareness training should be provided to all staff and Members. For staff, this could take the form of an e-learning training package which all staff would be required to complete on an annual basis; it should also form part of the induction process for new staff. Members and key officers should receive face-to-face training.</p> <p>Targeted anti-fraud training should be provided to key officers, such as those working in Finance and Procurement.</p>	Medium	AD Resources	30/09/2020	31/12/2022	Outstanding	Training programme is ready to be rolled out. Currently awaiting confirmation that it's mandatory for managers. Other officers will be encouraged to take the training up. Take up of training will be monitored.
Annual Governance Statement	All items listed as supporting evidence in the AGS and Code of Corporate Governance should be made available on either the Council's website or on the intranet, as appropriate.	Medium	Assistant to the Chief Executive	31/12/2019	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Car Parking & Civil Enforcement	As referred to in the King's Lynn Transport Strategy, BCKLWN should develop a Car Parking Strategy. This would ensure that a town-wide approach to car parking management is achieved, together with enabling the delivery of the Transport Strategy's suggested improvements.	Medium	Assistant to the Chief Executive	31/03/2021	30/05/2023	Outstanding	The Car Parking Strategy is due to be fully reviewed in line with other major projects such as Active and Clean Connectivity, Electric Car Charging facilities, Towns Fund Projects as well as Town Centre re-purposing. The new Strategy should be available in late spring 2023.
Car Parking & Civil Enforcement	The Annual Maintenance Agreement with Metric Group Ltd. for the maintenance of the car park ticket machines should be enhanced with the introduction of an annual review clause stating "The parties shall conduct an annual review of the services and performance under the contract on 1st April each year or the most convenient date thereafter. The parties shall review any areas for improvement, any efficiencies that can be made and best value". The agreement should clearly state that each machine will have a preventative maintenance visit each year. The agreement should include a cap on any price increases imposed by Metric, make reference to annual inflation rises and detail how the price is determined	Medium	AD Operations & Commercial	31/03/2021	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	each year.						
Car Parking & Civil Enforcement	The SLA between BCKLWN and Newlyn PLC should be revised so that it states that it will be reviewed on an annual basis. The SLA should state that "The parties shall conduct an annual review of the services and performance under the contract on 1st April each year or the most convenient date thereafter. The parties should review any areas for improvement, efficiencies that could be made and best value." The SLA should give an actual end date, rather than being open-ended.	Medium	AD Operations & Commercial	31/03/2021	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Careline	More than one officer should be able to book appointments at any one time. A trial period to ascertain and gain assurance that the system has the ability to allow this without double bookings being made could be used.  Explore alternative solutions to the current method. For example whether using Outlook, or similar, as an option to ensure appointment times are not double booked.	Medium	AD Health, Wellbeing and Public Protection	30/06/2021	01/04/2023	Outstanding	CCSS is no longer supported and as such we cannot progress this recommendation at this time. Officers are in talks with IT over moving to a new system and short term support of the current system, IT are looking at maintenance of software and moving to new server in January 2023 and reluctant to make changes before this time due to stability issues. Project Initiation Document submitted to IT earlier this year.
Careline	The process of a client calling into the Council and requesting a Careline product should be a seamless process. Consideration should be given to allow one department (CIC or Careline) to follow the process from start to finish. This would allow the customer to call in to request a product, the officer to record all the necessary information, apply the correct costs to any items required, and book a mutually convenient appointment for a Visiting Officer to carry out the works required.	Medium	AD Health, Wellbeing and Public Protection	30/06/2021	31/12/2022	Outstanding	Need to review available options with Careline & CIC and determine if implementation of this recommendation is possible.

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Careline	Careline and ICT to develop a process during discussions regarding the various methods of recording customer data onto the system, and the pros and cons of each method on both officers and the system.  The technology being used by the Visiting Officers should be available at all times and fit for purpose.	Medium	AD Health, Wellbeing and Public Protection	30/06/2021	01/04/2023	Outstanding	Current system is being reviewed between Careline/ICT (AH) and Systems and Administration Manager. No change will be possible until Recommendation 2 is resolved. In the meantime a consistent paper form is being developed and rolled out to the team
Careline	Job timings and item costs should be updated on the system to eradicate the need to amend timings and costs by individual officers.	Medium	AD Health, Wellbeing and Public Protection	31/03/2021	01/04/2023	Outstanding	As above.
Careline	Any time saving / efficiency methods of working within the department should be notified and available to all officers.	Medium	AD Health, Wellbeing and Public Protection	30/06/2021	01/04/2023	Outstanding	CCSS is no longer supported and as such we cannot progress this recommendation at this time. Officers are in talks with IT over moving to a new system and short term support of the current system, IT are looking at maintenance of software and moving to new server in January 2023 and reluctant to make changes before this time due to stability issues. Project Initiation Document submitted to IT earlier this year.
Alive West Norfolk – Governance	Retention schedules need to be introduced for AWN once records and retention processes have been agreed.	High	MD Alive West Norfolk	30/11/2021	01/01/2023	Outstanding	Retention schedule being produced in line with Council policy. This will be going to AWN SMT 2nd November 2022 and AWN Board 23 <sup>rd</sup> November 2022.
Alive West Norfolk - Governance	Decisions need to be made regarding whether AWN require their own GDPR/DPA Policy or whether they can adopt the Council's policy. If the Council policy is adopted it will need to be refreshed to include AWN.	Medium	MD Alive West Norfolk	28/02/2021	01/01/2023	Outstanding	AWN producing their own GDPR/DPA policy in line with Council policy. This will be going to AWN SMT 2nd November 2022 and AWN Board 23 <sup>rd</sup> November 2022.
Personal Identifier & Financial Relationship	That all service areas where there is a prolonged financial relationship request and record as a minimum; forenames, surnames, addresses, where possible middle names and contact details, a Date of Birth, and a National Insurance Number*	Medium	Deputy SIRO	28/02/2021	30/11/2022	Outstanding	Service areas will be contacted to highlight the need to record this data when there is a prolonged financial relationship.

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	*Some areas of the authority will request/record and require more personal details than this such as Benefits requiring a Date of Birth, a National Insurance Number, this recommendation is not intended to be a substitute for legislative/regulatory requirements, rather general guidance for each area of the authority with prolonged financial relationships with customer(s).						
Child Protection	Property Services to follow the risk assessment procedures set out within the Safeguarding Policy for "High" and "Medium" risk rated tenants and provide the relevant safeguarding information within the Tenant Information Pack.	High	AD Property and Projects	31/12/2019	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Council Offices & Sites	Standardised processes and procedures should be in place and documented to provide consistency and resilience.	Medium	AD Property and Projects	31/03/2022	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Council Offices & Sites	Any remedial works required on all council offices and sites should be documented to allow responsible officers greater oversight of each buildings maintenance requirements. The following should be included in any documentation:- <ul style="list-style-type: none"> <li>• What works are required to be carried out;</li> <li>• Who will be carrying out the works;</li> <li>• When the works are expected to start and finish; and</li> <li>• The expected cost of the works (if not already included within a contractual arrangement)</li> </ul>	Medium	AD Property and Projects	31/03/2022	N/A	Complete, awaiting evidence.	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Planning Support	Adjust the cost of the service on an annual basis based on the actual departmental costs for the previous year, also adjusting for any surplus / deficit from the previous year to meet legislative requirements.	Medium	AD Environment and Planning	31/03/2022	31/12/2023	Outstanding	We are about to commence with the data migration project with Land Registry. Land Registry will soon be validating our data and this will determine how long the project will take, certainly several months. At

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
							the end of the project Land Registry will be responsible for all LLC1 searches and Personal searches. This will have an impact on future resources required to manage the Land Charge service and this will have to be reflected in the future cost levied for land charge searches (Con29). It seems prudent to put a hold on the actions from the internal audit and re-visit after the migration project.
Planning Support	Consider a review, peer review or similar, to gain assurance whether all costs that could be allocated to services provided by the land charges team have actually been included in BCKLWN costs.  Consider increasing the cost of the service to the actual cost of the service provided at the next available opportunity, and review these costs annually to meet legislative requirements.	Medium	AD Environment and Planning	31/03/2022	31/12/2023	Outstanding	As above.
ICT Document Management	The Retention Schedule needs to be updated and maintained on an ongoing basis to ensure continuous compliance with legislative requirements.	Medium	Deputy SIRO	31/03/2021	N/A	Outstanding	No update received.
ICT Document Management	Revenues and Benefits SLA to reflect current system in operation.	Medium	Deputy SIRO	31/03/2021	N/A	Outstanding	No update received.

## APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2020/21

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
ICT – Cyber Security	ICT officers should be included in the preparation and delivery of project plans throughout the authorisation, to ensure all ICT aspects are fully considered and understood within the project.	Medium	AD Resources	31/03/2022 2	31/12/2022	Outstanding	Proposed email to be brought to ICT Development Group for agreement at next arranged meeting towards the end of the calendar year.

## APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2021/22

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Emergency Planning & Management	Consider a formal "out of hours" standby cover of Emergency Planning & Management.	Medium	AD Environment and Planning	31/03/2022	31/03/2023	Outstanding	This is currently under consideration.
Emergency Planning & Management	Gold Group or Management Team to review the debrief document for the Covid-19 pandemic emergency and develop an action plan to implement the recommendations made, including details of responsible officers and target dates. The Gold Group or Management Team should monitor the progress of the action plan.	Medium	AD Environment and Planning	31/03/2022	31/03/2023	Outstanding	A meeting is taking place on 21 October 2022 to discuss the debrief document. Agreed actions to follow the meeting.
Regeneration & Economic Development	An overarching document should be produced or the Schedule of the Council's Major Projects Programme (point 9 of the Terms of Reference in the Major Projects Officers Board) should be enhanced or a suite of progress/performance monitoring documents should be produced that relate to specific roles and responsibilities within the life cycle of projects/initiatives to provide details of ALL ongoing projects, the funding source for each project and overall budget allocation for each project, the name/job title of the lead officer, the team/resources in place for the project, and the current	Medium	AD Property and Projects	31/03/2022	31/03/2023	Outstanding	This is an evolving process. Member and Officer projects boards set up, with further developmental work to create a separate Project Development Group. High Level spreadsheet available of all the projects deemed to be "Major Projects"- but does not contain all of the audit recommendations. Note - Interim director appointed, who will as part of his role provide some support in this area.



Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	<p>position/progress that has been made with the project and the priority of the project against other projects that are in progress.</p> <p>Once in place these can be used to help manage resourcing and prioritise ALL projects, inform stakeholders, and to monitor projects against key milestones</p>						
Regeneration & Economic Development	Within the review of Management Team and the inclusion of a new programme management and monitoring regime, roles and responsibilities need to be clearly identified and set out for the life cycle of projects/initiatives and their performance/progress monitoring requirements. There needs to be clarity between the various roles and the responsibilities under each role within the strategic, project development, client management, project delivery.	Medium	AD Property and Projects	31/03/2022	31/03/2023	Outstanding	In progress. In discussion with Chief Executive and Executive Directors. Discussed at officer major projects board. Interim Director will be looking at these issues and making recommendations.
Regeneration & Economic Development	The Council needs an overarching corporate economic development and regeneration strategy to encompass all projects / initiatives and how they meet the corporate business objectives. This should be a cabinet approved document.	Medium	AD Regeneration, Housing and Place	31/08/2022	31/10/2023	Outstanding	There is a piece of work currently being commissioned around a 'tourism economy' strategy that will have wider links to the corporate business plan including sustainability (particularly travel) and protecting the natural environment (responding to visitor pressures in the countryside and coastal areas) – this will commence in the next few months and will feed into an overarching strategy. An overarching economic development and regeneration strategy will take some time to be finalised and presented to panels. It is therefore requested that a revised due date of Autumn 2023 is implemented.
Regeneration & Economic Development	The Council's overarching corporate economic development and regeneration strategy should reflect and capture the organisational aspirations of the Council (including the objectives that underpin the Council's Corporate Business Plan for 2020 – 2024) in terms of sustainability, climate change, carbon reduction, protecting our local environment as well as other matters such as protecting our communities from flooding	Medium	AD Regeneration, Housing and Place	31/08/2022	31/10/2023	Outstanding	As above.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Planning Enforcement	There should be a consistent method of how and where documentation is recorded within each module of the system (i.e. Enforcement, Appeals etc.) These methods should be documented to ensure all officers are aware of how the documentation should be recorded within the system.	Medium	AD Environment and Planning	31/03/2022	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Planning Enforcement	A process should be developed to ensure finance are notified via Legal Services of those sundry debts as a result of court cases. Finance would then be responsible for maintaining accounts related to court costs awarded to the authority.	Medium	AD Legal Services/MO	31/12/2021	N/A	Outstanding	No update received.
Planning Enforcement	Considerations to be made to make attempts to contact with the Courts in order to get the relevant reference numbers added to the payments being made.	Medium	AD Legal Services/MO	31/12/2021	N/A	Outstanding	No update received.
Alive West Norfolk	A suite of new SLA's should be developed for the relevant Service Areas included in the previous SLA. These need to be developed at the earliest possible opportunity.  A new agreed set of KPI's should be produced for each Service Area within the SLA, to ensure the service is being provided efficiently and effectively for both parties. The KPI's should be monitored and reported appropriately to the AWN Board, and a relevant council body if required.	High	MD Alive West Norfolk	30/09/2022	31/03/2023	Outstanding	MD Alive West Norfolk has provided a new revised due date, however this action lies outside of the MD's control, and instead within the Council.
Alive West Norfolk	Responsible officers from finance and AWN to consider the fees and charges going forward, with a view to amending these to the appropriate values.  There is mention within the Financial SLA of additional costs should senior financial officers need to be involved in accounting queries. This cost should ideally be an hourly rate for the services provided, agreed by both parties prior to work commencing.  The financial budgets should be	High	MD Alive West Norfolk	30/09/2022	31/03/2023	Outstanding	MD Alive West Norfolk has provided a new revised due date, however this action lies outside of the MD's control, and instead within the Council.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	amended and reflect actual, and agreed, costs rather than expected costs.						
Alive West Norfolk	When the Management Agreement is next due for review, consider if it is appropriate for member involvement in decisions of AWN.	Medium	MD Alive West Norfolk	30/09/2022	31/03/2023	Outstanding	MD Alive West Norfolk has provided a new revised due date, however this action lies outside of the MD's control, and instead within the Council.
Financial Governance & Budgetary Control	Where Finance have verbally agreed with a budget holder to undertake a virement, Finance should require the budget holder to confirm the virement via email. This should be supported by an exception report detailing budget virements made during the year.	Medium	AD Resources	31/07/2022	01/04/2023	Outstanding	Report currently being produced for Cabinet. Currently no formal process in place, but going forward this will be picked up as part of review of budget monitoring processes and procedures.
Data Sharing Arrangements	All current and future DSA's should include all aspects of the most recent ICO Data Sharing Code of Practice. Current DSA's should be enhanced if required when next reviewed.	Medium	Deputy SIRO	30/06/2022	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
Data Sharing Arrangements	To provide assurance that consent has been sought and approved by the individual whom the data relates to, the council should include as a standard Appendix to DSA, the model consent form recommended by the ICO.	Medium	Deputy SIRO	30/06/2022	N/A	Complete, awaiting evidence	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.
ICT Disaster Recovery	It should be ensured that the key to the server room at the DRC at Fakenham is held at Reception when not in use. Consideration should be given to fitting a key-coded lock to the server room.	Medium	AD Resources	31/07/2022	28/02/2023	Outstanding	It's proposed that a coded key lock is fitted, however in order to progress this it requires NNDC's approval and contribution. Officers are in contact with NNDC to get this resolved.
ICT Disaster Recovery	The new backup room at Factory Unit 1 should have a CCTV camera fitted, be included within the onsite internal intruder alarm system, and have fire detection and suppression devices in place.	Medium	AD Resources	31/07/2022	28/02/2023	Outstanding	Backup room move has been temporarily suspended. Preparations are being made for the move. Quotes have been requested.
ICT Disaster Recovery	ICT should compile a DR Test Plan which should detail those procedures, based upon an assessment of risk, which should be tested on an ongoing basis to provide assurance over the DR process in different scenarios.	Medium	AD Resources	30/09/2022	30/04/2023	Outstanding	Currently engaging with external providers of professional services, to provide a health check of current arrangements. DR test plan will be produced following this.
Waste Management Contract	The Action Log should be reviewed and updated to reflect the current status of the outstanding actions.	Medium	AD Operations & Commercial	30/10/2022	31/12/2022	Outstanding	An improved action log is currently being created by the Supervising Officer at Breckland District Council.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Waste Management Contract	An Issues Log should be maintained to record any issues which may arise during the contract monitoring process.	Medium	AD Operations & Commercial	30/10/2022	31/12/2022	Outstanding	An improved action log is currently being created by the Supervising Officer at Breckland District Council.
Waste Management Contract	The contractor's Public & Products Liability Insurance minimum limit of indemnity should be raised from £5m to £10m for each claim to bring it in line with the minimum limit as stated in the contract (clause 20.1.1).	Medium	AD Operations & Commercial	30/10/2022	N/A	Outstanding	No update received.
Waste Management Contract	Risks associated with the waste contract and the robustness of the mitigations put in place, as stated in the Corporate Risk Register, should be subject to regular review.	Medium	AD Operations & Commercial	30/10/2022	N/A	Complete, awaiting evidence.	Internal Audit have been informed that this recommendation is complete. Once evidenced is received, this recommendation will be closed.

**POLICY REVIEW AND DEVELOPMENT PANEL REPORT**

REPORT TO:	Audit Committee		
DATE:	21/11/2022		
TITLE:	Fraud & Corruption Half Year Progress Report 2022-23		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	Cllr Dickinson, Finance		
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

**REPORT SUMMARY/COVER PAGE**

<b>PURPOSE OF REPORT/SUMMARY:</b>			
<p>1.1 This report is aimed to provide the following in respect of the period April 2022 to September 2022:</p> <ul style="list-style-type: none"> <li>• Progress towards the Anti-Fraud &amp; Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department.</li> <li>• Statistical information in respect of fraud and error detection for applications and claims received by the Council deemed to have been false, incorrect, or where a relevant change in circumstances has failed to be declared resulting in a financial gain or where an error has been identified and amended.</li> <li>• Statistical information in respect of traced debts where the Internal Audit Team have been contacted for assistance.</li> <li>• Statistical information in respect of fraud and error detection for grants retrospectively identified as having been paid to customers/businesses who were not eligible.</li> <li>• Statistical information in respect of data matching activities undertaken through the National Fraud Initiative (NFI) and Norfolk Fraud Hub.</li> <li>• The pipeline of upcoming projects and anti-fraud and anti-corruption related activities that will be undertaken/progressed during 2022/23 financial year.</li> </ul>			
<b>KEY ISSUES:</b>			
<p>Section 5 of the Anti-Fraud &amp; Anti-Corruption Policy recognises that the Council as a large organisation is at risk of loss due to fraud and corruption both internally and externally. The Policy sets out the approach that the Council uses to manage the risk of fraud and corruption and minimises the losses incurred.</p> <p>Section 19 of the Policy outlines that the Council has adopted the Cabinet Office's national "Report Calculations" for measuring fraud loss where appropriate and uses local calculation methodologies where it feels local weighting should be applied and to furthermore be consistent with other member local authorities of the Norfolk FraudHub.</p> <p>The attached report is presented to show performance against the Anti-Fraud &amp; Anti-Corruption Policy for Audit Committee to review the effectiveness of the policy and how the Council measures against the national counter-fraud standards (as set out within the Anti-Fraud &amp; Corruption Policy and the Fighting Fraud &amp; Corruption Locally 2020 standards), including where appropriate details of corrective action where standards have not been met. The report includes details of the level of fraud loss and the activities being undertaken to raise the anti-fraud &amp; anti-corruption culture across the authority.</p>			
<b>OPTIONS CONSIDERED:</b>			
<i>Not applicable</i>			

RECOMMENDATIONS:
Members are asked to note the update of the anti-fraud & anti-corruption work.
REASONS FOR RECOMMENDATIONS:
Fraud and Error reports are to be presented by Internal Audit to the Audit Committee on a half-yearly basis, to show how the Council is performing against the Anti-Fraud & Anti-Corruption Policy.

## FRAUD AND ERROR HALF YEAR PROGRESS REPORT 2022/23

### 1. Report overview

#### 1.2 This report is aimed to provide the following in respect of the period April 2022 to September 2022:

- Progress towards the Anti-Fraud & Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department.
- Statistical information in respect of fraud and error detection for applications and claims received by the Council deemed to have been false, incorrect, or where a relevant change in circumstances has failed to be declared resulting in a financial gain or where an error has been identified and amended.
- Statistical information in respect of traced debts where the Internal Audit Team have been contacted for assistance.
- Statistical information in respect of fraud and error detection for grants retrospectively identified as having been paid to customers/businesses who were not eligible.
- Statistical information in respect of data matching activities undertaken through the National Fraud Initiative (NFI) and Norfolk Fraud Hub.
- The pipeline of upcoming projects and anti-fraud and anti-corruption related activities that will be undertaken/progressed during 2022/23 financial year.

### 2. Key Performance Indicators

#### 2.1 As part of the Directorate Service Plan for Resources the following Key Performance Indicators have been set for the 2022/23 financial year for the purposes of the Internal Audit Departments role in tackling fraud and error:

- To gain a Financial Investigation provision for the authority
- 5,000 completed fraud/corruption investigations (including data matching exercises) per annum

### 3. Financial Investigation Provision

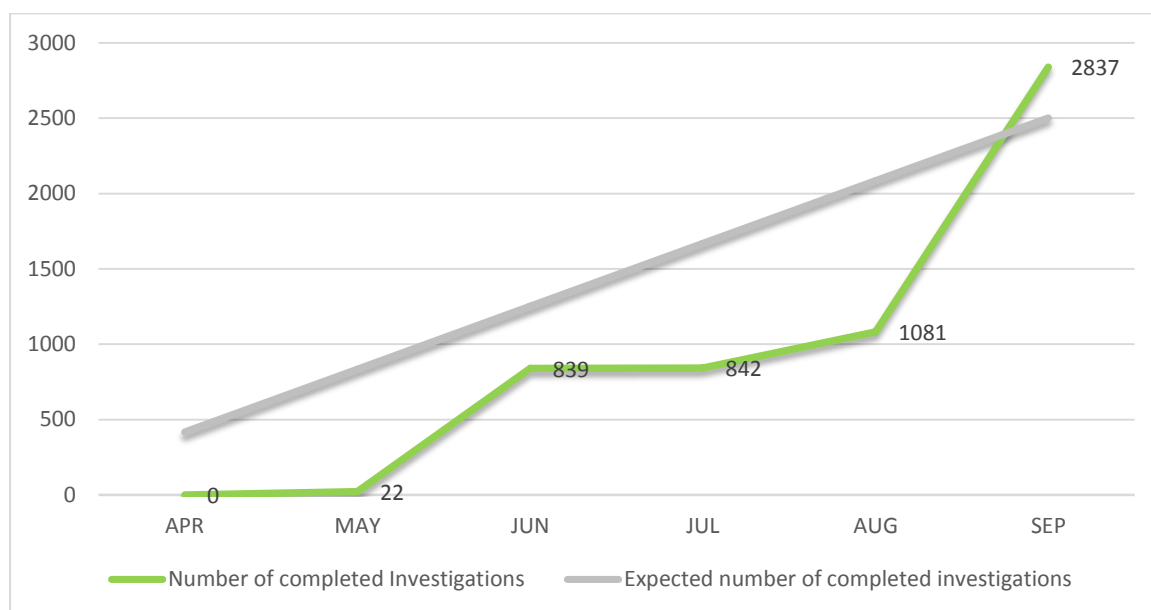
#### 3.1 A financial investigation is any investigation into a person or person's financial matters. It could also involve the investigation into the finances of a business or a private limited company. A financial investigation can determine where money comes from, how it is moved and how it is used. A careful financial investigation can potentially reveal the complex structure of major criminal organisations, leading to seizures and forfeitures crippling organisations. Money laundering offences are found in Part 7 of **Proceeds of Crime Act 2002** ('POCA'). Money laundering describes offences concerning the possession, concealment, conversion, transfer or making of arrangements relating to the proceeds of crime. A financial Investigator conducts financial investigations into the defendant's available assets, and where appropriate will prepare confiscation proceedings for presentation at Crown Court. When the Proceeds of Crime Act 2002 was launched the clear message sent out was that "Crime does not pay", this is a reference to the ability under the act to take back any "criminal benefit" or profits made as a result of crime. This can be explained as using the proceeds gained from crime, i.e., a fraud and then using that to gain additional monies or benefits from that (a criminal benefit).

#### 3.2 A provision had been identified, a Memorandum of Understanding had been drafted, however due to a retirement the provider are unable to offer a provision due to pressures on their own needs.



- 3.3 We understand that no other local authority within Norfolk have financial investigation provisions in-house or any external provision in place.
- 3.4 We have made enquiries with a local authority in Suffolk who are understood to have in-house financial investigators to establish if they are able to offer a provision. Beyond these other options include the Police, and/or surrounding County Councils which are to be followed up.
- 3.5 Financial provisions remain in place for joint working cases with the Department for Work & Pensions, but this will only be available in relation to Council Tax Reduction Scheme investigations that include DWP related benefits.

4. Completed fraud/corruption investigations (including data matching exercises)



- 4.1 2,837 completed investigations (113.48% of the expected completed cases to date and 56.74% of the expected full year target).

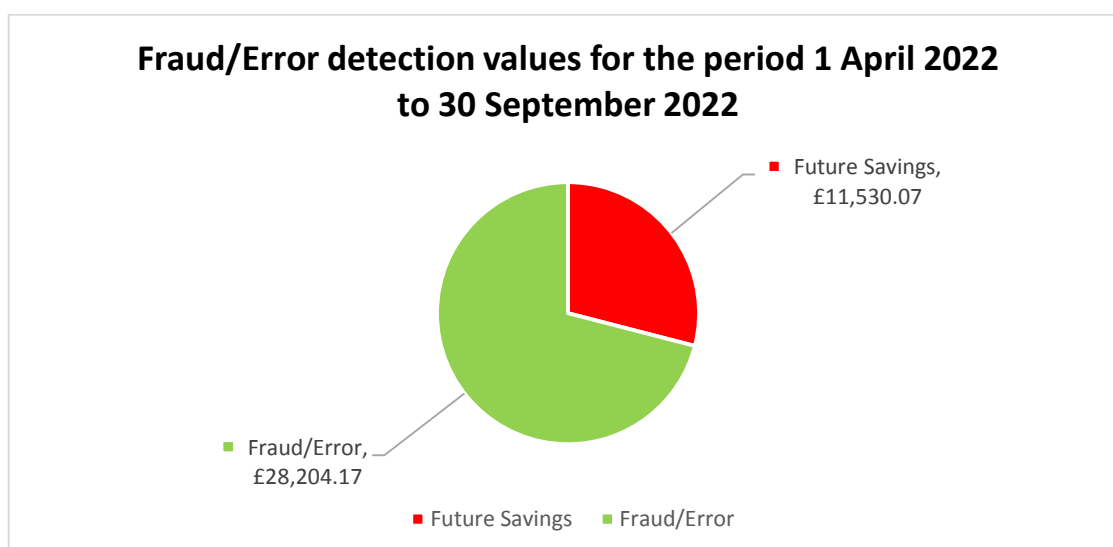
5. Overview of Fraud/Error Detection

- 5.1 The borough is made up of 74,810 residential dwellings with 23,069 receiving Single Person Discount awards. SPD is awarded to 30.83% of all dwellings in the borough.
- 5.2 There are a total of 6,747 Non-Domestic rates hereditaments across the Borough. With 4,975 of these receiving some type of relief or reduced bill. Reliefs / reduced bills are being awarded on 73.73% of all business rateable hereditaments in the borough.
- 5.3 There are a total of 9,488 live Council Tax Reduction Scheme claims in payment across the borough. With 4,409 (46.47%) claims in payment to customers of pension age and 5,079 (53.53%) claims in payment to customers of working age.
- 5.4 **A total of 34 frauds/errors identified during the period April 2022 to September 2022.**

5.5 The year to date identified fraud/error is down 68.80% compared to the first half of 2021/22 where 109 Fraud/Errors were identified. This is largely due to delays in commencement of the Single Person Discount canvass review because of no available resources within the Revenues Department to assist this work since January 2022.

- The SPD Canvass Review commenced in August 2022, we anticipate that because of this the progress against the KPI should start to even out during the next 6 months and further results in respect of value detected should begin to increase.

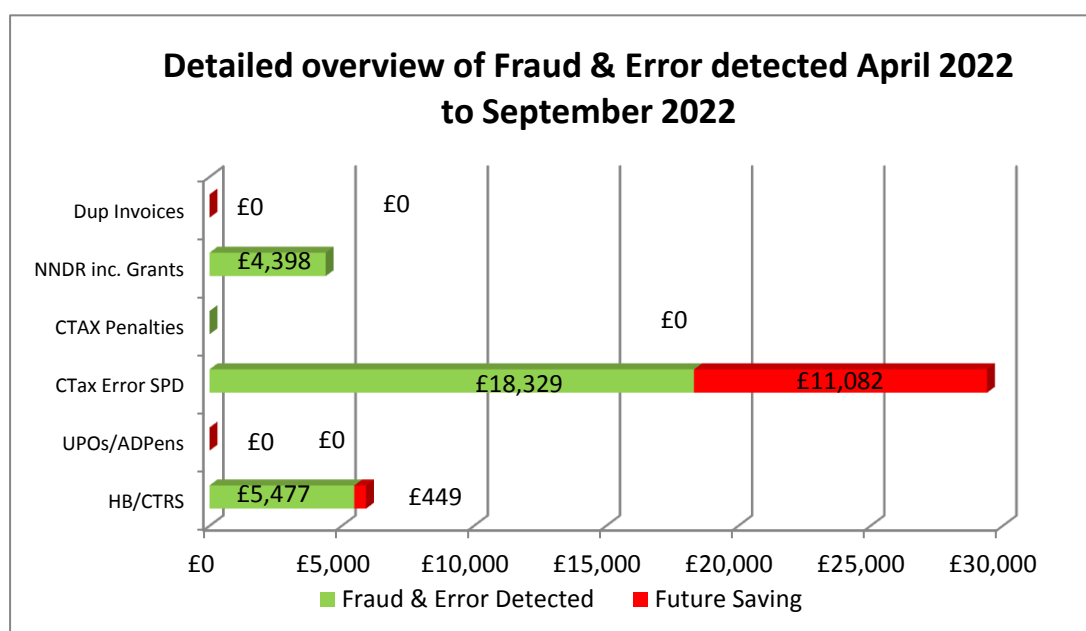
5.6



5.7 These above values are calculated using a national calculation methodology which has been adopted by all members of the Norfolk FraudHub.

## 6. Detailed Overview of Fraud/Error Detection

6.1

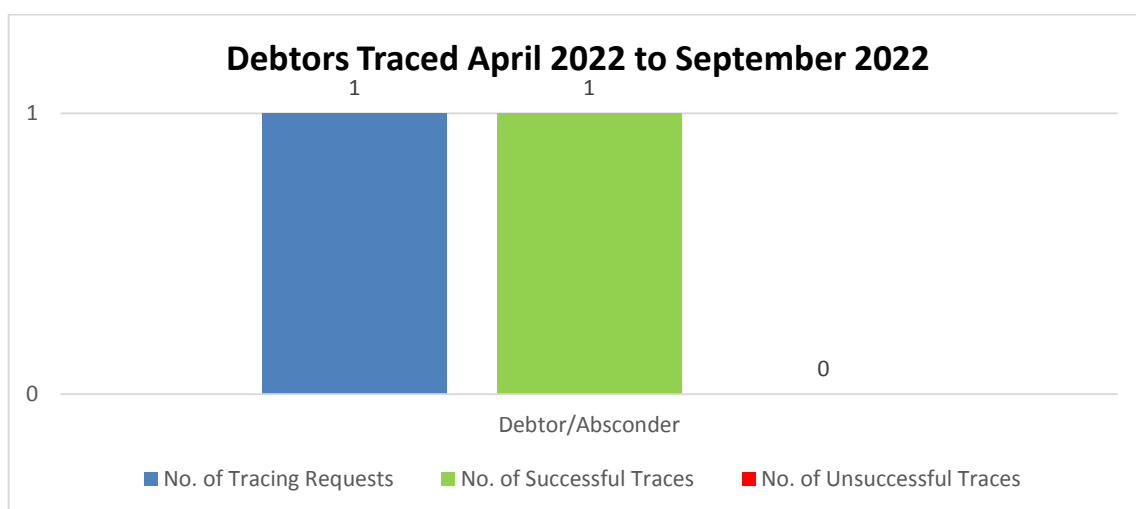


6.2 A total of **34** cases has been identified to the total value of **£39,734.24**.

## 7. Debtor Tracing Activities

7.1 Internal Audit assist the authority corporately through the provision of a Debtor/Absconder tracing service. This is provided where requests to attempt to trace customers with debts are received where other tracing attempts have been exhausted within the affected service area. Where a successful trace has been made any new address/contact information is provided to the service area.

7.2

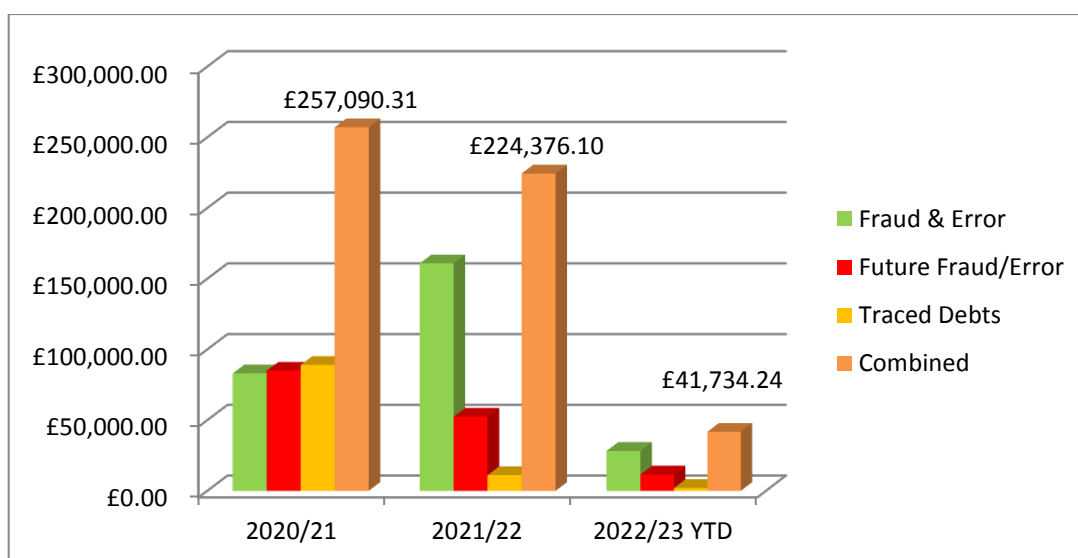


7.3 A total value of **£2,000.00\*** has been traced and passed back to the relevant departments for recovery purposes, which is broken down as follows.

*\*Initial advice charge of £2,000.00, however there is a potential for additional costs to be incurred of between £80,000.00 and £100,000.00 that may result from this successful trace.*

## 8. Comparison Data to Previous Years

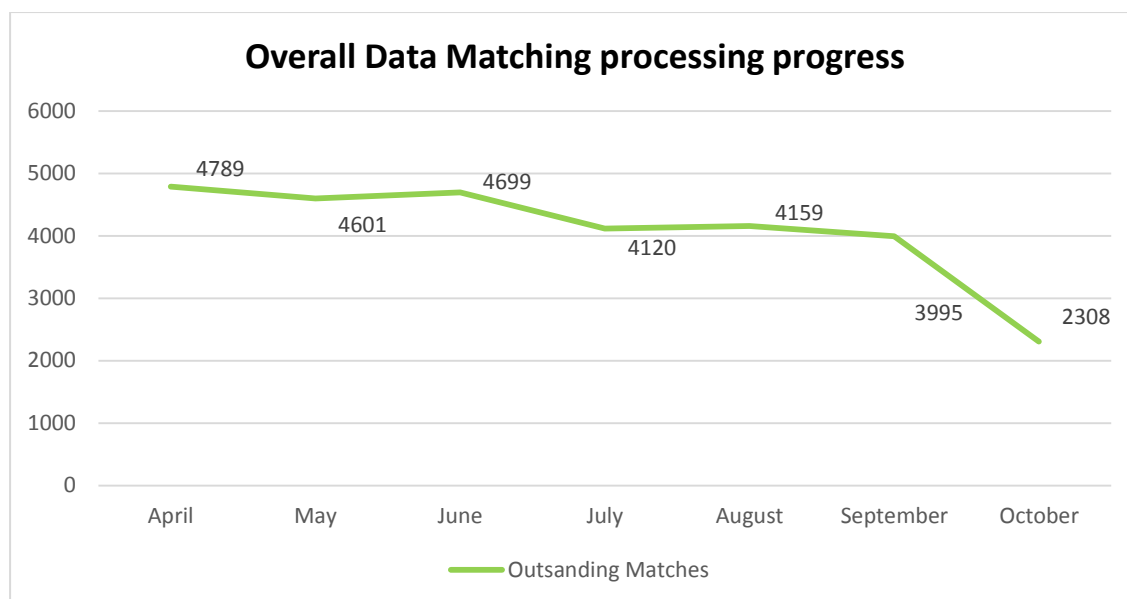
8.1 Below are the results from investigations during the current year to date in comparison to the previous two full financial years:



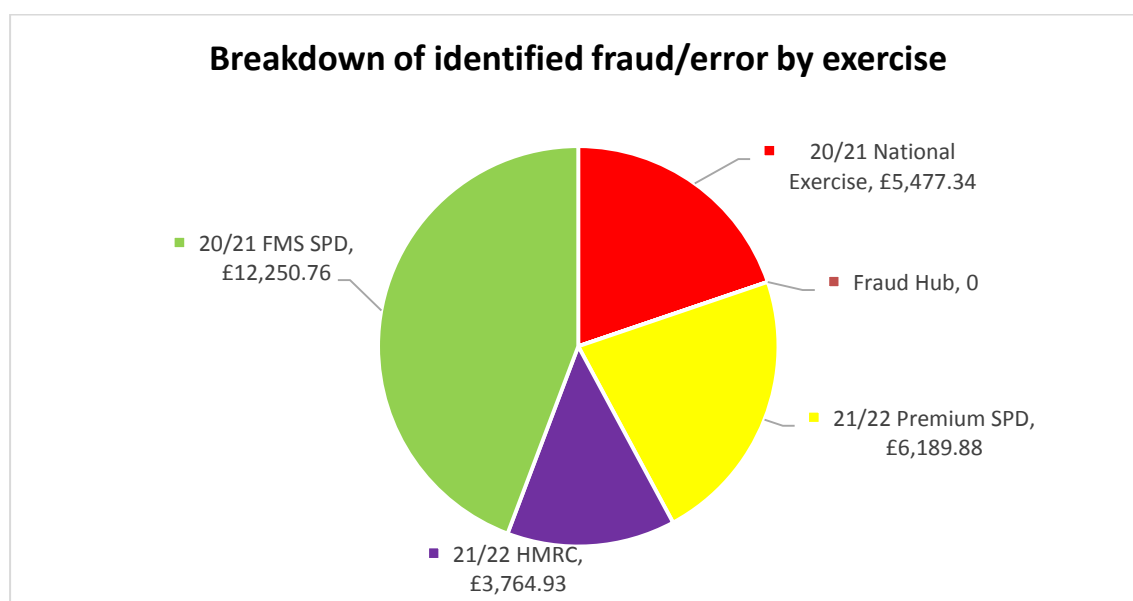
9. Other Identified Errors
- 9.1 A further **3** Council Tax accounts have been amended from a Single Person Discount award to a Student Disregard/or another disregard status (the council tax liability has not changed but future fraud and error may have been prevented).
10. Data Matching Activities
- 10.1 As part of the investigation work conducted, data matching exercises continue to be carried out with the Cabinet Office's **National Fraud Initiative and the Norfolk Fraud Hub**, these exercises cross-over financial years and form part of the fraud and error figures stated above.
- 10.2 There are currently two themes of National Fraud Initiative (NFI) reporting being completed:
- 10.3 NFI
  - The NFI National Exercise – This is a council wide data matching exercise, focusing on all possible areas of the council including Creditors, Payroll, Council Tax and Housing Benefits. This exercise is undertaken every two years.
  - The Flexible Matching Service – This is carried out annually, focusing primarily on Council Tax data matches in need of investigation. The Flexible Matching Service deals with matches mainly consisting of:
    - Council Tax Single Person Discount (SPD) - the outstanding matches are for Council Tax accounts that do not match Electoral Register information that require further investigation.
    - Matches where the second adult is due to turn 18 between now and the end of the financial year.
    - Council Tax matches against income details, capital details, household composition details, and property ownership details held by HMRC.
- 10.4 The Norfolk Fraud Hub
  - The Norfolk Fraud Hub was established in 2019/20, it assists in the detection of fraud and error earlier by carrying out more frequent data matching of key data sets between all 7 district authorities in Norfolk and Norfolk County Council.
  - This work provides further assurance that claims, and applications are genuine, and that information and data recorded in our systems is consistent and accurate.
  - As part of the Norfolk Fraud Hub project a Steering Group is also in place where best practices and knowledge is shared across each of its 8 member organisations including details on emerging and new fraud risks/threats.
11. Single Person Discount Project
- 11.1 The Single Person Discount project (funded by Norfolk County Council) has continued and is currently in year 3 of the project. Further funding was agreed for 2022/23 of £42,114.60.
- 11.2 This work has been a success to date highlighting 466 errors with a total value identified of **£314,785.55** since it commenced in 2020/21.
12. Overall Data Matching Activities

- 12.1 A total of 4,699 data matches were carried forward from the 2021/22 financial year. These matches related to various data matching reports. During the first half year a further 408 matches have been received.

12.2



12.3

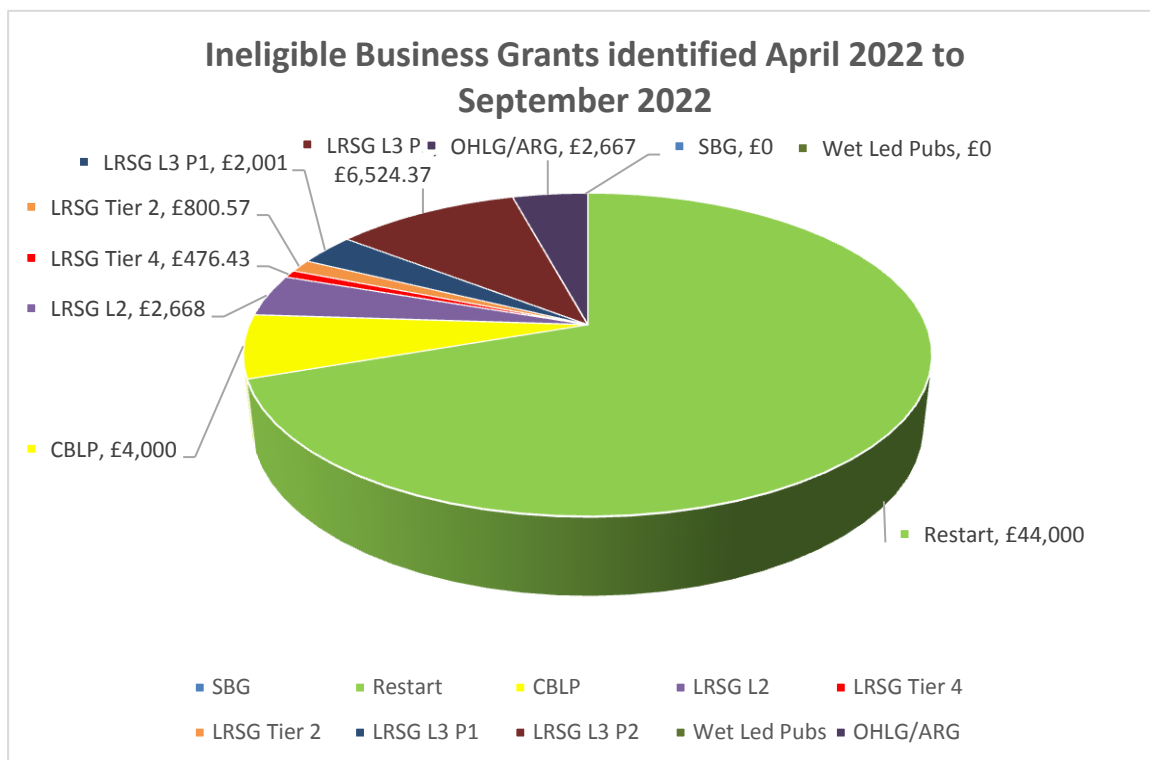


*\*these figures form part of the total identified fraud/error set out at 5.3.*

### 13. Covid-19 Business Grants

- 13.1 To date over £77m has been paid out by the Council in business grants since the emergence of the Covid-19 pandemic.

- 13.2 Post assurance of the Covid-19 Business Grant Schemes is undertaken by the Revenues Department. During the period April 2022 to September 2022 7 businesses have been identified to have received grants totalling **£63,137.37** that they were not eligible for following post assurance review, these are broken down under each grant scheme as follows:



*\*these figures are not included within the total figures set out at 5.3.*

13.3 As at the end of September 2022 **£7,714.00** has been recovered from the above total. Those who default on the recovery plans in place are forwarded to BEIS for further recovery actions to be carried out.

#### 14. Anti-Fraud & Anti-Corruption Culture

14.1 Fraud awareness e-learning packages are to be rolled out to officers and members in October 2022. A further Fraud Awareness e-learning package is to be rolled out for managers later in the year (once available from the developers).

14.2 Anti-Fraud & Anti-Corruption communication strategy is being developed and regular are being rolled out in staff briefings beginning in October 2022.

#### 15. Projects/Future pipeline of activities

15.1 The Senior Internal Auditor continues to be a member of the Cabinet Office's Fraud Hub user group, assisting with other local authorities in shaping the services and data matching activities provided through the NFI and Fraud Hub. The Cabinet Office are to feed out new developments and innovative themes nationally to local authorities and other government organisations to help fight fraud and corruption.



# **The Budget 2022/2023**

## **Monitoring Report**

**July 2022 – Period 4**

**Michelle Drewery  
Assistant Director Resources  
Section 151 Officer**



## The Budget 2022/2023

### Monitoring Report – July 2022 – Period 4

#### Summary

The budget for 2022/2023 was presented to Cabinet on 9th February 2022 and approved by Council on 23rd February 2022 in accordance with the process for approving the financial plan 2021/2026.

There is continuing uncertainty as to the expected level growing inflation and the impact on the cost of living for individuals and businesses. Whilst the Government has removed all Covid response legislation relating to social and business restrictions from 24 February 2022, the lasting effects on the local economy, the council, its residents, and businesses remain uncertain. This budgetary control monitoring report has been prepared and provides a summarised update of any variances against the original budget for 2022/2023.

The council are currently estimating a transfer to the General Fund Reserves of £437,910 a decrease of £89,080 against a budgeted transfer of £526,990. Decreasing the balance as of 31<sup>st</sup> March 2023 to £9,421,670

	<b>Original Budget 2021/22 £</b>	<b>Forecast 31 July 2022 £</b>	<b>Variance £</b>
Borough Spend	21,028,070	21,117,150	<b>89,080</b>
Financing	(21,555,060)	(21,555,060)	<b>0</b>
Contributions to/(from) General Fund Balance	<b>526,990</b>	<b>437,910</b>	<b>(89,080)</b>

The Capital Programme 2021/2026 was updated at Council on 23<sup>rd</sup> February 2022. The current spend is £5,074,589 against a revised budget of £65,767,570, itself a reduction of £2,957,500 from the original budget. Major Projects comprises of 76% of the revised budget for the Capital Programme. The Council's Member Major Projects Board holds meetings throughout the year to monitor and receive updates for these projects. Officers of the Council are reviewing the impact on the timing and funding of programme reflecting specifically recovery from the pandemic and inflation. See section 3 of report for details of the Capital Programme.

**If further information relating to any budget highlighted within this report is required, please do not hesitate to contact Carl Holland on Ext. 6549**

## 1. Introduction

The report provides an assessment of the council's financial performance against its approved 2022/23 budget, incorporating key financial risks, issues, and opportunities since 1 April 2022 for revenue and capital. The year-end forecasts are based on actual expenditure from 1 April 2022 to 31 July 2022.

The key sections of the report are laid out as follows:

- General Fund (Revenue) – Section 2 and Appendix A
- Capital – Section 3 and Appendix B
- Reserves – Section 4
- Age Debtors Analysis – Section 5
- Council Tax and Business Rates Collection– Section 6
- Treasury – Section 7

## 2. Revenue Budget 2022/2023

### 2.1 Budget Summary

**2.1.1** A summary of the budget position as of 31 July 2022 is shown below. Note this has been restated following a restructure of service areas between that reported to Council on 23 February 2022 and 1 April 2022. A summary is shown in Appendix A of the movements.

	P4 Forecast Outturn Position			Movement since Pd3
	Budget Agreed by Council 23 February 2022	Budgetary Control Monitoring Report July 2022/2023	Report Variance (Budget to July 2022)	Movement Pd3 to Pd4
Service	£	£	£	£
Central Services	3,186,180	3,193,430	7,250	0
Health Wellbeing and Public Protection	401,030	422,520	21,490	0
Programme and Project Delivery	234,530	234,530	0	0
Legal	486,440	486,440	0	0
Environment and Planning	1,630,900	1,633,200	2,300	0
Operations and Commercial	1,174,410	1,207,900	33,490	50,000
Property and Projects	(1,441,660)	(1,406,189)	35,471	19,760
Regeneration Housing & Place	867,590	869,800	2,210	0
Resources	7,982,060	7,936,443	(45,617)	37,130
Chief Executive	101,300	101,300	0	0
Leisure and Community Facilities	1,075,400	1,107,886	32,486	0
Financing Adjustment	2,320,670	2,320,670	0	0
Internal Drainage Boards	3,009,220	3,009,220	0	0
<b>Borough Spend</b>	<b>21,028,070</b>	<b>21,117,150</b>	<b>89,080</b>	<b>106,890</b>
Contributions to/(from) General Fund Balance	526,990	437,910	(89,080)	(106,890)
<b>Borough Requirement</b>	<b>21,555,060</b>	<b>21,555,060</b>	<b>0</b>	<b>0</b>
Revenue Support Grant	(647,530)	(647,530)	0	0

Rural Service Delivery Grant	(485,690)	(485,690)	0	0
New Homes Bonus	(589,610)	(589,610)	0	0
Other Government Grants	(629,760)	(629,760)	0	0
Business Rates Retention Additional Funding	(7,888,830)	(7,888,830)	0	0
Business Rates Renewable Energy	(2,811,280)	(2,811,280)	0	0
Contribution from Business Rate Reserves	(552,090)	(552,090)	0	0
Business Rates Pool – Council Share	(592,870)	(592,870)	0	0
Collection Fund	(25,000)	(25,000)	0	0
Council Tax	(7,332,400)	(7,332,400)	0	0
<b>Total Funding</b>	<b>(21,555,060)</b>	<b>(21,555,060)</b>	<b>0</b>	<b>0</b>
<b>Funding Position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2.1.2** Appendix A also identifies through continued monthly monitoring, where budgets that were estimated, can be updated to reflect actual and emerging requirements. It is the aim of the monitoring activity to ensure that a revised budget is maintained to better forecast the impact of the Councils budgeted outturn throughout the year.

## **2.3 Turnover Savings**

The budgeted turnover savings for 2022/23 are (£550,000). At this point in the financial year, it is difficult to give an update until the impact of any pay award is known. See comment below at 2.4.1.

## **2.4 Opportunities/Risks**

**2.4.1** It was anticipated that proposals for this year's cost-of-living pay award would be reported to cabinet in September followed by Council for consideration. However, the proposals for this year are being considered alongside national offers in the public sector which are currently indicated to be higher than the budgeted increase of 2.5%. A report will be presented to Cabinet at the earliest opportunity and once agreed, payments will be backdated to April 2022.

**2.4.2** The full impact of the escalating inflation on services in relation to utilities has not fully been identified and this continues to be worked on with service managers to identify the impact on the budget. There are around 60 sites that have electricity accounts, less for gas and water but these all need to be reviewed. Recent years will have reduced energy usage during social restrictions and for some sites billing has been based on estimated meter readings, which all impact on the forecasting. A 1% increase on utilities would cost around £9,000. In setting the Electricity and Gas budgets for 2022/23 the Council increased budgets by 10% and 12% respectively. The Council's purchase of gas is mitigated further through a future purchase model that means that future commitments are made at lower rates prevalent at the time.

**2.4.3** Vehicle fuel costs in July 2022 are 49.7% higher than at the same time in the previous year. It is not known at this stage if prices will remain at these high levels and therefore an estimated increase of 36% over 2021/22 actuals has been assumed at this point in time and will be kept under review. This is an estimated increase of £50,000 above 2022/2023 budgeted spend.

**2.4.4** In relation to fees and charges some of the services appear to be back to pre-pandemic levels for budgeted income. This is being monitored along with a review in preparation of the future Financial Plan with consideration to the impact of inflation on running costs.

### 3. Capital

**3.1** The Capital Programme 2022/23 original budget of £64,853,540 was approved at Council on 23<sup>rd</sup> February 2022. This figure has been revised as reported to Cabinet at its meeting on 2 August 2022, to incorporate amounts rephased from the 2021/2022 Capital outturn.

**3.2** Summary spend to date can be seen in the table below.

	<b>Capital Programme</b>	<b>Amended Budget June Monitoring</b>	<b>Amended Budget July Monitoring</b>	<b>Spend to 31 July 2022</b>	<b>July Spend Percentage</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Major Projects	49,981,110	49,981,110	49,981,110	3,197,316	6.40
Community and Partnerships	2,480,680	2,510,680	2,510,680	544,284	21.68
Resources (S151 Officer)	383,460	383,460	383,460	80,326	20.95
Property and Projects	309,330	309,330	309,330	25,256	8.16
Operational and Commercial Services	2,705,510	2,705,510	2,705,510	83,247	3.08
Leisure and Community Facilities	1,306,080	1,306,080	1,306,080	7,751	0.59
Central Services	250,000	250,000	250,000	0	-
<b>Total</b>	<b>57,416,170</b>	<b>57,446,170</b>	<b>57,446,170</b>	<b>3,938,180</b>	<b>6.86</b>
Exempt Corporate Schemes	11,217,900	11,217,900	8,230,400	1,136,409	13.81
<b>Total Capital Programme</b>	<b>68,634,070</b>	<b>68,664,070</b>	<b>65,676,570</b>	<b>5,074,589</b>	<b>7.73</b>

**3.2.2** An amendment to Exempt Corporate Schemes of £2,987,500 is reported following the removal of the Hunstanton Hotel Construction project, this has reduced future years by £2,837,500 in 2023/2024 and £1,941,660 in 2024/2025.

The feasibility of the borough council funding the construction of a hotel premise in Hunstanton and leasing it by way of a commercial lease has concluded that this project is not financially viable. Tentative discussions are on-going with regard to a commercial ground lease arrangement which would require zero capital expenditure by the council. This proposal will be presented to a future meeting of the Cabinet.

**3.3** Further detail of the July 2022 position is in Appendix B. An extensive review of Capital Programme budgets will be presented in the August Monitoring Report.

## 4. Reserves

### 4.1 The main reasons the Council holds reserves are to:

- Manage known financial risks
- Hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions
- Manage timing difference between the receipt of funding and actual spend
- Hold ring-fenced funds such as specific grants

Further explanation of the Earmarked Reserve purposes is provided in Appendix C.

### 4.2 As reported to Council in February 2022, the budget set out an estimated contribution to the General Fund Reserve of £532,170. The estimated contribution has now decreased to £493,700 because of the changes set out in this report. The revised impact on balances is detailed in the table below.

<b>Projected Movements in General Fund Balances</b>	<b>2022/23 £</b>
<b>Balance brought forward 1<sup>st</sup> April 2022</b>	<b>8,983,760</b>
Estimated contribution to/(from) Balances	437,910
<b>Projected General Fund Balance 31<sup>st</sup> March 2023</b>	<b>9,421,670</b>

### 4.3 The projected balance for 2022/2023 remains above the minimum level of £1,128,410 required of the Council. However, it should be noted that the audit for the financial statements of 2019/2020 and 2020/2021 are not concluded and a possible outcome could result in a financial adjustment to the accounts which require further drawdown from the general fund balance

### 4.4 The General Fund Balance is held at a higher level than it might normally be, enabling provision for a planned and measured response to the reduction in grant funding that is estimated to occur in the medium term. Significant draws from the general funding balance remain necessary in future years of the medium-term financial plan to set a balanced budget.

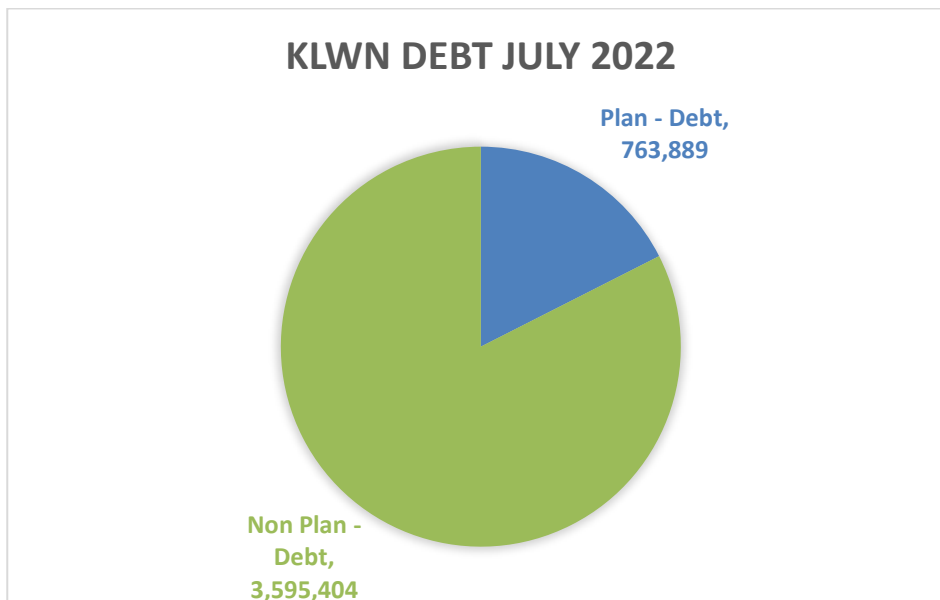
- 4.5** The table below shows the reserves balances based on actual spending and budgeted spend in the year. The opening balance is as per the Revenue Outturn report reported to Cabinet at its meeting 2 August 2022. Following further accounting movements in compilation of the Council's draft Statement of Accounts for 2021/2022 published on 1 August 2022, it has been possible to revise the maximum limits for some reserves held. These revisions are reported in Appendix C. Earmarked reserves may change during the year following frequent review to reflect actual emerging needs, ensure they are adequate and necessary, and that any technical review is undertaken for classification.

Reserves	Opening balance 1 April 2022	Budgeted movements (To)/From	In year movements (To)/From	Forecast Outturn Balance 31 March 2023
<b>Ring Fenced Reserves</b>				
Amenity Areas	2,000			2,000
Capital Programme Resources	782,702	4,480		778,222
Collection Fund Adjustment Reserve	10,692,516	(552,090)		11,244,606
Grants Reserves	2,600,139	(5,850)	(44,419)	2,650,408
Holding Accounts	168,652			168,652
Grant and Capital (decision on classification pending)	166,064			166,064
Planning Reserves	436,079	(64,330)		500,409
Repairs and Renewal Reserves	608,782	(29,850)	31,494	607,138
Community Infrastructure Levy	3,622,807	2,395,620	(2,407)	1,229,594
Educational Skills Attainment	878,979	(227,500)		1,106,479
<b>Sub Total</b>	<b>19,958,720</b>	<b>1,520,480</b>	<b>(15,332)</b>	<b>18,453,572</b>
<b>Risk Management</b>				
Capital Programme	71,324			71,324
Legal Enforcement Reserve	109,616			109,616
Insurance	225,661	10,000		215,661
Planning Reserves	25,410			25,410
Food Hygiene Enforcement	50,000			50,000
<b>Sub Total</b>	<b>482,011</b>	<b>10,000</b>	<b>0</b>	<b>472,011</b>
<b>Service Delivery</b>				
Capital Programme Resources	4,716,049	346,360	122,085	4,247,604
Climate Change Strategy	1,246,482	(313,160)		1,559,642
Grants Reserves (decision on classification pending)	2,015,842	37,000		1,978,842
Holding Accounts	1,826,651	(24,860)		1,851,511
Ukrainian Community Support	7,000			7,000
Internal Audit Services	3,770			3,770
Planning Reserves	86,249	(126,980)		213,229
Project Reserves	3,864,687			3,864,687
Repairs and Renewal Reserves	1,303,008	23,050		1,279,958
Restructuring Reserve	484,018			484,018
Community Safety	310,513	10,000	12,960	287,553
<b>Sub Total</b>	<b>15,864,269</b>	<b>(48,590)</b>	<b>135,045</b>	<b>15,777,814</b>
<b>Grand Total</b>	<b>36,305,000</b>	<b>1,481,890</b>	<b>119,713</b>	<b>34,703,397</b>

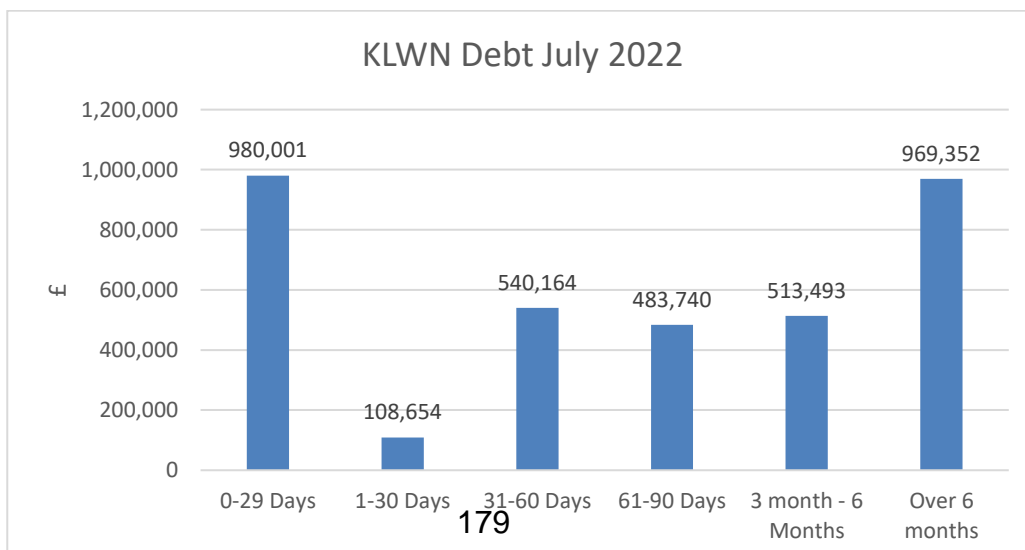
## 5. Age Debt Analysis

**5.1** The effective management and collection of debt is an essential contributor to the councils' financial resources. In accordance with good accounting practice, the Council makes appropriate provision for bad debts. Debt recovery levels have been and continue to be affected by the Pandemic and inflation. Debt recovery activity will be kept under heightened review to ensure resources are focussed on reducing debt levels and further comparators for debt recovery action will be added to future Monitoring Reports.

**5.2** As of 31 July 2022, the council had £4,359,293 of debt which is broken down below showing the value of plans in place to repay. "Plan" debt is arrears where there is an agreed instalment payment plan for recovery and "non-plan" debt is where debt is payable under the normal collection process.

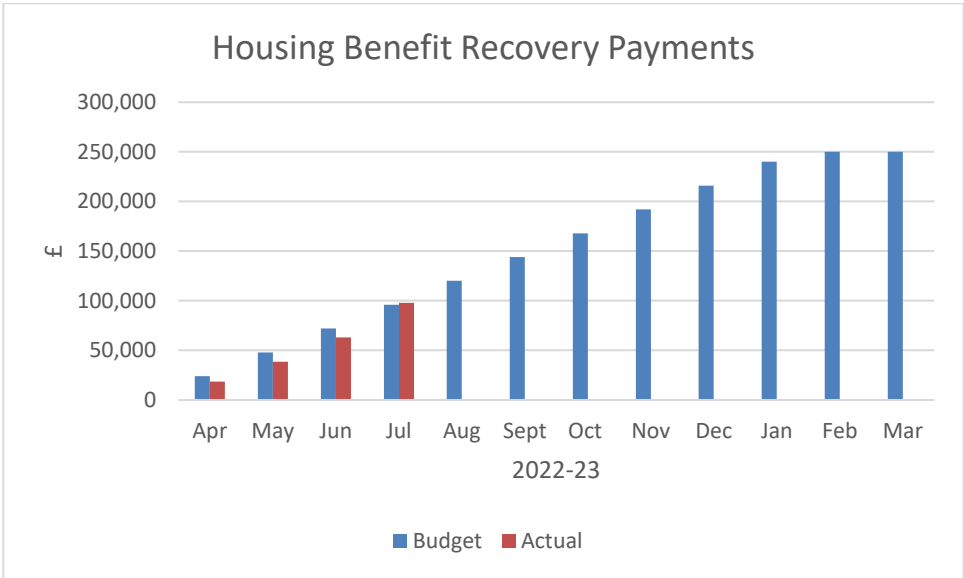


**5.3** See graph below showing the age analysis of the non-plan debt of £3,595.404.





**5.4** In relation to Housing benefits overpayment recovery the target as of 31 July 2022 is £96,000 and £97,833 has been raised in invoices. See table below showing monthly against budget for 2022/23.

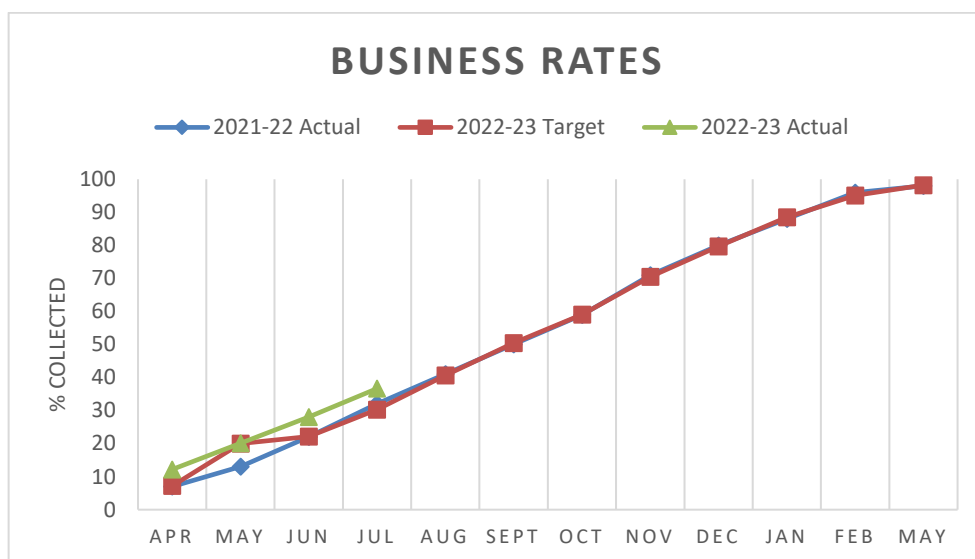


**6. Council Tax and Business Rates**

**6.1** As of 31 July 2022 37.57% of council tax has been collected against the target of 37.74%. See Chart below with comparison to 2021/22 actuals.

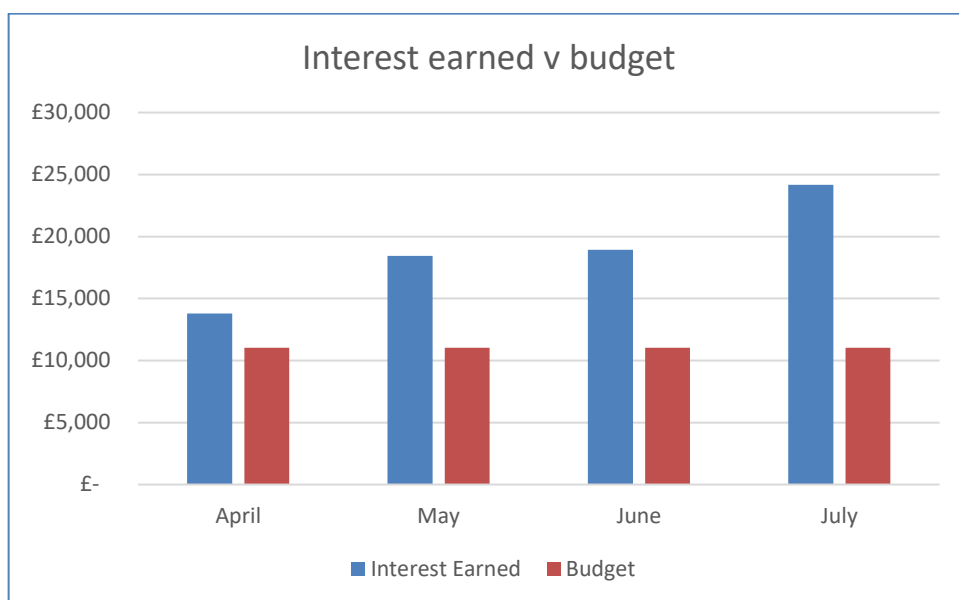


- 6.2** 36.65% of business rates has been collected against the target of 30.24%, as of 31 July 2022. See chart below with comparison to 2021/22 actuals.



## 7. Treasury Management 2022/23

- 7.1** The “Treasury Management Strategy Statement and Annual Investment Strategy 2022/2023” was approved by Council on 9 February 2022. The Council’s Treasury Management Strategy will be updated as appropriate for any changes made to the code of practice by CIPFA.
- 7.2** The budgeted ROI (Return on Investment) is £278,790, excluding capital loans it is £132,480. As of 31 July 2022, the forecasted position £178,160, again this is excluding capital loans. This is monitored along with the Bank of England interest rates and the budget revised as part of the estimate process in the Autumn.
- 7.3** The graph below compares the average interest earned each month to the forecasted budget. The budget is shown on an even twelfth/straight-line basis.



- 7.4** The monitoring report includes prudential indicators, updates on movements in borrowing and investments during the period.

#### Prudential Indicators

Indicator	Original Limit 2022/2022	Actual Borrowing 30 June 2022
Operational Boundary (Limit of borrowing)	£77m	£10m
Short-term and variable rates borrowing limits	40%	0%

#### Loans

Institution	Principal £	Rate %
Short Term borrowing	0	
<b>Total Short Term</b>	<b>0</b>	
Barclays	5,000,000	3.810%
Barclays	5,000,000	3.810%
<b>Total Long Term</b>	<b>10,000,000</b>	
<b>Total Borrowing</b>	<b>10,000,000</b>	

#### Investments

Institution	Principal £	Rate %
Aberdeen Liquidity – MMF	1,790,000	1.186%
BNP (Banque Nationale de Paris) – MMF	4,000,000	1.259%
Federated Hermes – MMF	4,000,000	1.300%
HSBC Sterling – MMF	4,000,000	1.238%
LGIM - MMF	4,000,000	1.274%
<b>Total Money Market Fund Investment</b>	<b>17,790,000</b>	
Handlesbanken	4,000,000	0.750%
Santander	4,000,000	0.950%
SMBC Bank International plc	4,000,000	2.020%
<b>Total Other Investments</b>	<b>12,000,000</b>	
<b>Overall Investments</b>	<b>29,790,000</b>	

## 8. Conclusion

- 8.1** The primary objective of this report is to monitor service area performance against allocated budgets and to consider variances to the budget figure in the light of current circumstances.
- 8.2** Careful budgetary control throughout the year ensures that resources are applied as planned, fulfilling the goal to secure the long-term economic future of the borough. Budgetary control is applied in a consistent manner across all budgets, and individual decisions to be taken during the financial year are reviewed for impact on a case-by-case basis before they are taken, so that any identified impact can be considered and taken into account at the appropriate time.
- 8.3** The content of this budget monitoring report is designed to enable Councillors and Senior Officers to see the financial position of the Council as a whole, as required by the Local Government Act 2003

## Appendix A

### Revenue Budget Monitoring Variances July 2022

Detailed below are the estimated variances from budget and movements from previously reported variances. For each there is an indication as to whether the reported variance has an impact on the Financial Plan for future years. Amounts in (Brackets) are favourable and others are adverse movements.

<b>Central Services – deficit £7,250</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Adobe Licence Fee for Graphics not been budgeted for	2,250			Yes
Training income budget removed as delivery of training to other parties not generating levels of income	5,000			Yes
<b>Total</b>	<b>7,250</b>	<b>0</b>	<b>7,250</b>	
<b>Health, Wellbeing and Public Protection – deficit £21,490</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Careline – Rent for industrial unit not budgeted for this year and last	1,620			Yes
Financial Assistance – King's Lynn Festival car parking passes to be funded as part of their service level agreement previously free of charge	2,370			Yes
Community Safety and Neighbourhood Nuisance – as agreed at Cabinet – 16 <sup>th</sup> November 2021, a revenue budget to be included for additional vehicle running costs and	17,500			Yes

associated IT and ancillary costs associated with new Enforcement posts				
<b>Total</b>	<b>21,490</b>	<b>0</b>	<b>21,490</b>	
<b>Environment and Planning – deficit £2,300</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Rent of an industrial unit used by Emergency Planning not in budget for this year, has been in budget last two years but appears to have been removed in error	2,500			<b>Yes</b>
Miscellaneous	(200)			<b>No</b>
<b>Total</b>	<b>2,300</b>	<b>0</b>	<b>2,300</b>	
<b>Operations and Commercial – deficit £33,490</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	
Adjustments to CCTV internal recharges to other service areas following review. Some areas have not had a CPI (Consumer Price Index) increase applied, have not been charged when should have been and an increase in cameras at some sites	(32,800)			<b>Yes</b>
Correction of budget to £17,500 to cover cost of leasing two visitor Pontoons from the Kings Lynn Harbour Authority, budget	5,000			<b>Yes</b>

was incorrect last year				
Budget corrections for Refuse and Recycling on Serco contract based on revised demand, net figure of £190. However, there has been a slight increase in recycling of commercial trade waste creating additional income £5,530	(5,340)			<b>Yes</b>
Income budget removed for Sunday Market 'regular' tolls only casual market tolls paid for the Sunday Market	13,700			<b>Yes</b>
Vehicle fuel costs in July 2022 are 49.7% higher than at the same time in the previous year. It is not known at this stage in prices will remain at these high levels and therefore an estimated increase of 36% over 2021/22 actuals		50,000		<b>Yes</b>
Miscellaneous	2,930			<b>No</b>
<b>Total</b>	<b>(16,510)</b>	<b>50,000</b>	<b>33,490</b>	
<b>Property and Projects – deficit £35,471</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
A realignment of budgets for Property Services. This comprises of budgets for postage, water bills, contract cleaning and minor adjustments to repairs and	(10,109)			<b>Yes</b>



equipment budgets, to reflect the running costs in line with actuals.				
A contribution to reserves is made each year for King's Court furniture hired by DWP who are tenants of the building, this is provided under the SLA. But had not been budgeted for	16,740			Yes
Increase in cost for Property Services in relation to annual subscriptions no budget last year,	1,740			Yes
A loss of income for shops, offices and units is forecast for the first quarter due to vacant properties following loss of tenants, the properties are being marketed to be re let, will be reviewed	9,820			No
Miscellaneous	(2,480)			No
Increase in business rates for general properties in use by the Council.		23,180		Yes
Realignment of travel budget in Property Services in line with actuals		(7,080)		Yes
Miscellaneous		3,660		No
<b>Total</b>	<b>15,711</b>	<b>19,760</b>	<b>35,471</b>	
<b>Regeneration, Housing and Place – deficit £2,210</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
An increase in internal recharges for CCTV following review	2,210			Yes
<b>Total</b>	<b>2,210</b>	<b>0</b>	<b>2,210</b>	

<b>Resources – surplus £45,617</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Notification of next year's contributions to Benefits subsidies and grants at higher levels than budget	(81,980)			<b>Yes</b>
Removal of professional fees budget within Revenues and Benefits as no longer required	(1,000)			<b>Yes</b>
Miscellaneous	233			<b>No</b>
Welfare Reform – Professional Fees realigned in line with actuals		14,240		<b>Yes</b>
DWP Welfare Reform grant increased in line with actuals		27,770		<b>Yes</b>
Miscellaneous		(4,880)		<b>No</b>
<b>Total</b>	<b>(82,747)</b>	<b>37,130</b>	<b>(45,617)</b>	
<b>Leisure and Community Facilities – deficit £32,486</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd3</b>	<b>£</b>	<b>Impact on Financial Planning</b>
An increase in internal recharges for CCTV following review	31,726			<b>Yes</b>
Miscellaneous	760			<b>No</b>
<b>Total</b>	<b>32,486</b>	<b>0</b>	<b>32,486</b>	
<b>Grand Total</b>	<b>(17,810)</b>	<b>106,890</b>	<b>89,080</b>	

Appendix B - Capital Programme Monitoring Report Period 4 2022-2023						
Capital Programme 2021/2026	Original Budget 2022/2023	Actuals to July 2022/2023	To June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023
	£	£	£	£	£	£
<b>MAJOR PROJECTS</b>						
<b>Enterprise Zone</b>						
Project Mmgt / Marketing	38,970					38,970
Roads / Infrastructure	6,008,270	154,513				6,008,270
Premisis		1,352				0
<b>Total Enterprise Zone ( AD Property and Projects)</b>	<b>6,047,240</b>	<b>154,513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,047,240</b>
<b>Major Housing Development</b>						
Salters Road - Contractor Cost	7,373,760	768,355				7,373,760
Salters Road - AHG Contribution	0					0
Alex'dra Rd Hun'ton BCKLWNCost	15,370	2,883				15,370
Phase 3-Lynnsport 1	6,080,900	31,578				6,080,900
Phase 1-Lynnsport 3	0	49,730				0
Phase 2 -Lynnsport 4 /5	174,530	8,982				174,530
Phase 1 - Marsh Lane	0					0
Major Housing Management	8,000	2,206				8,000
MHP Unallocated Budget	102,290					102,290
Parkway - Gaywood	6,800,000	125,391				6,800,000
Parkway - ACP Contribution	0					0
Nora Phase 4	9,716,820	1,799,793				9,716,820
Nora Phase 5	383,640	2,288				383,640
Hunstanton Regeneration Bus Station & NCC Library	4,573,130	3,766				4,573,130
Hunstanton Regeneration Bus Station & NCC Library - AHG	(388,490)					(388,490)
Net Hunstanton Regeneration Bus Station & NCC Library	<b>4,184,640</b>	<b>3,766</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,184,640</b>
Hunstanton Regeneration Southend Road Car Park	4,082,770	159,076				4,082,770
Hunstanton Regeneration Southend Road Car Park - AHG						0
Net Hunstanton Regeneration Southend Road Car Park	<b>4,082,770</b>	<b>159,076</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,082,770</b>
<b>Total Major Housing Development (AD Companies and Ho</b>	<b>38,922,720</b>	<b>2,954,048</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,922,720</b>
<b>Other Major Projects</b>						
<b>Towns Fund</b>						
Town Centre Public Realm	216,570					216,570
St Georges Guildhall Complex	321,060					321,060
Active and Clean Connectivity	1,136,860	17,041				1,136,860
Riverfront Regeneration	300,000	20,689				300,000
Multi User Community Hub	977,680					977,680
Programme Management	84,430	34,771				84,430
<b>Total Towns Fund</b>	<b>3,036,600</b>	<b>72,501</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,036,600</b>
Purfleet Floating Restaurant	75,080					75,080
Chapel Street	272,910	14,090				272,910
Chapel Street	32,370					32,370
Chapel Street Third Party Cot'n (Historic England)	(26,680)					(26,680)
Chapel Street Business Rates Pool Contribution	(139,300)					(139,300)
Chapel Street Net Spend	139,300	14,090	0	0	0	139,300
Nelson Quay Redevelopment	100,000					100,000
NORA Remediation	216,480					216,480
South Quay Somerfield Thomas Silo	517,530	37,780				517,530
South Quay Business Rates Pool Contribution	(258,760)					(258,760)
South Quay Somerfield Thomas Silo Met Spend	258,770	37,780	0	0	0	258,770
South Quay Stage 3	120,000					120,000
Factory Unit 1 - New Depot Site	192,310					192,310
<b>Total for AD Property and Projects</b>	<b>1,101,940</b>	<b>51,870</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,101,940</b>
Decarbonisation Re:Fit 2	942,730	888,300				942,730
Decarbonisation Re:Fit 2 Grant	(942,730)	(942,734)				(942,730)
<b>Total for AD Planning</b>	<b>0</b>	<b>(54,434)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Southgate Regen Area Business Rate Pool Contrib	540,560					540,560
Southgate Regen Area Net Spend	(270,280)					(270,280)
	270,280	0	0	0	0	270,280
ICI/Active Travel Hub (KLIC2)	141,320	18,818				141,320
ICI/Active Travel Hub - NSF Contribution	(175,000)					(175,000)

	(33,680)	18,818	0	0	0	(33,680)
<b>Total for AD Regeneration</b>	<b>236,600</b>	<b>18,818</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>236,600</b>
Re:Fit Project	636,010					636,010
<b>Total for AD Leisure and Community Facilities</b>	<b>636,010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>636,010</b>
<b>Total Major Projects</b>	<b>49,981,110</b>	<b>3,197,316</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49,981,110</b>
<b><u>OPERATIONAL SCHEMES</u></b>						
<b><u>AD Community and Partnerships</u></b>						
Disabled Facilities Grant	618,200	107,847				618,200
Adapt Grant	1,445,840	339,960				1,445,840
	2,064,040	447,807	0	0	0	2,064,040
<b>Preventative Works</b>						
Home Repair Assistance Load	0					0
Emergency Repair Grant	0	500				0
Careline Grant	25,000	1,975				25,000
Safe and Secure Grant	0	9,894				0
Discretionary Adaptation Assistance	0					0
Low Level Prevention Fund	125,000	41,505				125,000
<b>Preventative Works Total</b>	<b>150,000</b>	<b>53,874</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>
<b>Total Private Sector Housing Assistance</b>	<b>2,214,040</b>	<b>501,681</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,214,040</b>
Careline-Replacement Alarm Uni	60,000					60,000
Careline - Replacement Vehicles	56,850					56,850
Community Projects	78,890	42,603				78,890
Community Projects - Members	70,900					70,900
Community Safety Vehicle	0		30,000			30,000
<b>Total for AD Community &amp; Partnerships</b>	<b>2,480,680</b>	<b>544,284</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>2,510,680</b>
<b><u>AD Resources (S151 Officer)</u></b>						
ICT Development Programme	356,180	74,974				356,180
Standard Desktop Refresh	27,280	5,352				27,280
<b>Total for AD Resources (S151 Officer)</b>	<b>383,460</b>	<b>80,326</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>383,460</b>
<b><u>AD Property and Projects</u></b>						
Princess Theatre Roof Replacement	246,600	2,830				246,600
Sewage Treatment Works Refurb/Connect Public Sewer	28,000					28,000
Kings Court Flat Roof	34,730	22,426				34,730
<b>Total for AD Property and Projects</b>	<b>309,330</b>	<b>25,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309,330</b>
<b><u>AD Operational and Commercial Services</u></b>						
<b><u>Car Parks</u></b>						
Resurfacing	361,800					361,800
Car Parks P&D Machine Replace	240,000					240,000
Car Pk MS Barrier Ticket Mach	38,130					38,130
Car Prk MS Lighting + Controls	192,000					192,000
Mintlyn Crem - Extend Car Park	140,000					140,000
Decrim Car Park Fiesta Vans	49,150					49,150
Car Park Fiesta Vans Third Party Contributions	(49,150)					(49,150)
Car Park Fiesta Vans Net Spend	0	0	0	0	0	0
<b><u>CCTV</u></b>						
CCTV Control Room Upgrade	271,050					271,050
CCTV Kettlewell Gadens	24,840					24,840
CCTV Multistorey	9,890					9,890
CCTV Crem	7,730					7,730
Christmas Lights Replacement	187,550					187,550
Estate Roads - Resurfacing	30,500					30,500
Parking/Gladstone Server Upgrade	12,030					12,030
Digital Signge Installation - NTP	43,000					43,000
Third Party Contribution	(43,000)	(43,000)				(43,000)
Public Realm/Town Deal/High Street	45,120	6,427				45,120
NSF Events Equipment	135,000					135,000
NSF Third Party Contribution	(100,000)	(100,000)				(100,000)
Heacham Toilets South Beach	67,200	96,861				67,200

Heacham Toilets South Beach - Contribution	(47,500)	(10,000)				(47,500)
Refuse and Recycling						
Refuse - Black Bins	25,000	23,906				25,000
Brown Bins/Compost	25,000	21,758				25,000
Green Bins/Recycling	25,000	13,290				25,000
Trade Bins	25,000					25,000
Refuse Vehicles	18,010					18,010
Replacement Play Area Equipment	40,000	12,511				40,000
Play Area Equipment - King's Lynn (KLAC)	8,000					8,000
Replacement Dog Bins	21,000					21,000
Downham Market Play Equipment	100,000	49,994				100,000
Downham Market Play Equipment Contribution	(50,000)					(50,000)
Resort Replacement Play Area Equipment	28,000					28,000
Resort - Beach Safety Signage	15,000					15,000
Resort - Visitor Digital Sign	50,000					50,000
Tourist Signs A47	21,000					21,000
Grounds Maintenance Equipment	43,500	11,500				43,500
Grounds Maintenance Vehicles	254,120					254,120
Public Cleansing Vehicles	441,540					441,540
<b>Total for AD Operations and Commercial</b>	<b>2,705,510</b>	<b>83,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,705,510</b>
<b><u>AD Leisure and Community Facilities</u></b>						
<u>Corn Exchange</u>						
Corn Exchange -Internal Dec	10,000	1,431				10,000
Corn Exchange -Refurbish Seating	15,000	4,008				15,000
Corn Exchange - Replace Speakers	100,000	2,312				100,000
Downham Market Leisure Centre						
DMLC - Replacement Spin Bikes	23,000					23,000
DMLC - Replace Heat/Cool AHU Dance Studio	25,000					25,000
DMLC - Fitness Room Flooring	30,000					30,000
DMLC - HallDance Studio Reseal	22,250					22,250
DMLC - Fitness Equipment	60,000					60,000
<u>Lynnsport</u>						
Lynnsport - Fitness Equipment	108,000					108,000
L/Sport - Floor Surface Reseal	40,000					40,000
L/Sport Fire Alarm Upgrade	15,000					15,000
L/sport Boilers & Plant	35,000					35,000
L/Sport Athletics Cage replacement and lighting upgrade	67,900					67,900
L/Sport Toilets & Changing Room	32,480					32,480
L/Sport Spin Bikes	17,000					17,000
L/Sport Spin Room	10,000					10,000
L/Sport Spin Room - CIL Funding	(10,000)					(10,000)
L/Sport New 3G Pitch	350,000					350,000
L/Sport Wellness Studio	150,000					150,000
L/Sport Wellness Studio - CIL Funding	(50,000)					(50,000)
L/Sport Spin Ventilation	35,000					35,000
L/Sport Fitness Flooring	40,000					40,000
<u>St James Pool</u>						
St James - Floor/Surface Replace	25,000					25,000
St James Fitness Equipment	30,000					30,000
St James Pool Covers	11,000					11,000
St James Spin Bikes	20,000					20,000
St James Replacement Plant	9,450					9,450
<u>Oasis</u>						
Oasis Fire Doors	15,000					15,000
Oasis Fitness Equipment	50,000					50,000
Oasis Fitness Flooring	20,000					20,000
<b>Total for AD Leisure and Community Facilities</b>	<b>1,306,080</b>	<b>7,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,306,080</b>
<b><u>AD Central Services</u></b>						
Technology and Other Equipment (Flexible Working)	250,000					250,000
<b>Total AD Central Services</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>
<b>Total Operational Schemes</b>	<b>7,435,060</b>	<b>740,864</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>7,465,060</b>
<b>Total Capital Programme (Non Exempt)</b>	<b>57,416,170</b>	<b>3,938,180</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>57,446,170</b>
<b>Total Commercially Sensitive Schemes (Exempt)</b>	<b>11,217,900</b>	<b>1,136,409</b>	<b>0</b>	<b>(2,987,500)</b>	<b>0</b>	<b>8,230,400</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>68,634,070</b>	<b>5,074,589</b>	<b>30,000</b>	<b>(2,987,500)</b>	<b>0</b>	<b>65,676,570</b>

## Appendix C - Limits and Purposes for Earmarked Reserves

Reserves Policy Area	Balances 1 April 2022 £'000	Maximum limits for 2020/2021 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Amenity Areas	2	300	300	300
Capital Programme Resources	5,570	9,000	9,000	9,000
West Norfolk Partnership	879	1,100	1,100	1,100
Insurance Reserve	226	300	300	300
Restructuring Reserve	484	1,000	1,000	1,000
Repairs and Renewals Reserve	1,912	2,000	2,000	2,000
Holding Accounts	2,105	2,600	2,600	2,600
Ring Fenced Reserves	3,983	3,200	4,200	4,200
Climate Change Strategy	1,246	0	1,100	1,250
Planning Reserves	548	800	800	800
Grants Reserves	4,616	4,200	4,800	4,800
Collection Fund Adjustment Reserve	10,693	17,000	8,000	11,500
Projects Reserve	3,865	800	4,200	4,200
Other Total	177	3,500	1,000	500
	<b>36,306</b>	<b>45,800</b>	<b>40,400</b>	<b>43,550</b>

### **Amendment to limits are required for the following:-**

Climate Change Strategy reserve is increased by £0.15m as a result of an additional allocation from the 2021/2022 outturn report agreed at Cabinet 2 August 2022.

Collection Fund Adjustment Reserve is increased £3.5m following a further allocation of Section 31 grant to offset the Business Rates discount provided by Central Government to businesses in continuation of support recovery from the Covid Pandemic. This is a statutory reserve and therefore the limit needs to adhere to the levels necessarily held in compliance with regulations for Collection Fund Accounting.

Other Reserves limit is reduced by £0.5m following a continued monitoring of reserves purposes and levels held beyond contractual commitments and for managing risks.

## **Purpose of Reserve**

**Amenity Areas Reserve** – used to maintain amenity land on housing and other sites.

**Capital Programme Resources Reserve** – used to fund the Capital Programme including replacement of vehicles and personal computers. It has been established by annual contributions from the revenue budget and is a combination of various specific capital reserves.

**West Norfolk Partnership** – tackles problems affecting residents of West Norfolk in a joint initiative between public, private and voluntary sector organisations.

**Insurance Reserve** – was established to fund expenditure required as necessary by our Insurance Company and also to meet areas of risk management expenditure.

**Restructuring Reserve** – meets any future in-year costs arising through service reviews and changes in staffing structure.

**Repairs and Renewals Reserve** – are maintained to help equalise the impact on the revenue accounts of programmed repairs. Annual contributions help to maintain the levels of the funds.

**Holding Accounts** – there are a number of reserves included under this heading, the main reserves include: housing reserves, Homelessness Projects, reserves for cleansing and refuse/recycling, Legal Commissioning Reserve, Elections Reserve.

**Ring Fenced Reserve** - can only be used for specific purposes. Included are Section 106 Funds, the Building Control account and Trust Funds that are administered by the Council on behalf of trustees.

**Climate Change Strategy** - allow implementation of smaller schemes; help fund preparation for larger capital scheme funding bids and also fund feasibility reports on potential options in support of the Council's Emissions Reduction Strategy and Action Plan.

**Planning Reserve** – used to enable the Council to fulfil its planning role.

**Grants Reserves** - money received from external bodies for specific tasks.

**Collection Fund Adjustment Reserve** – this reserve holds the accounting adjustments necessary for the Council's NNDR Safety Net and Levy payments.

**Project Reserves** – to be used for implementation costs on future projects.

**Other** – other varying uncertain risk for which funding has been set-a-side.





# **The Budget 2022/2023**

## **Monitoring Report**

**August 2022 – Period 5**

**Michelle Drewery  
Assistant Director Resources  
Section 151 Officer**

## The Budget 2022/2023

### Monitoring Report – August 2022 – Period 5

#### Summary

The budget for 2022/2023 was presented to Cabinet on 9th February 2022 and approved by Council on 23rd February 2022 in accordance with the process for approving the financial plan 2021/2026.

There is continuing uncertainty as to the expected levels of inflation and its impact on the Council and the cost of living for individuals and businesses. Whilst the Government has removed all Covid response legislation relating to social and business restrictions from 24 February 2022, the lasting effects on the local economy, the council, its residents, and businesses remain uncertain. As the war in Ukraine continues it is putting further upward pressure on commodity and fuel prices, for residents, businesses, and the Council. The risk from inflationary factors is being monitored in terms of possible effects from increasing revenue costs to the Council's services, risk to recovery of monies collected by the Council and risk that could delay and increase the cost of capital projects. This budgetary control monitoring report has been prepared and provides a summarised update of any variances against the original budget for 2022/2023.

The council is currently estimating a transfer to the General Fund Reserves of £416,020 a decrease of £110,970 against a budgeted transfer of £526,990 decreasing the estimated balance as of 31<sup>st</sup> March 2023 to £9,399,780.

	<b>Original Budget 2021/22 £</b>	<b>Forecast 31 August 2022 £</b>	<b>Variance Pd5 £</b>	<b>Variance Pd4 £</b>
Borough Spend	21,028,070	£21,139,040	<b>110,970</b>	<b>89,080</b>
Financing	(21,555,060)	(21,555,060)	<b>0</b>	<b>0</b>
Contributions to/(from) General Fund Balance	<b>526,990</b>	<b>416,020</b>	<b>(110,970)</b>	<b>(89,080)</b>

The Capital Programme 2021/2026 was updated at Council on 23<sup>rd</sup> February 2022. The current spend is £8,403,881 against a revised budget of £43,974,830, a rephasing to future years of £22,198,460 and increase of budgeted spend of £496,720 from the original budget. Major Projects comprises of 82% of the revised budget for the Capital Programme. The Council's Member Major Projects Board holds meetings throughout the year to monitor and receive updates for these projects. Officers of the Council are reviewing the impact on the timing and funding of programme reflecting specifically recovery from the pandemic and inflation. See section 3 of report for details of the Capital Programme.

**If further information relating to any budget highlighted within this report is required, please do not hesitate to contact Carl Holland on Ext. 6549**

## 1. Introduction

The report provides an assessment of the council's financial performance against its approved 2022/23 budget, incorporating key financial risks, issues, and opportunities since 1 April 2022 for revenue and capital. The year-end forecasts are based on actual expenditure from 1 April 2022 to 31 August 2022.

The key sections of the report are laid out as follows:

- General Fund (Revenue) – Section 2 and Appendix A
- Capital – Section 3 and Appendix B
- Reserves – Section 4 and Appendix C
- Age Debtors Analysis – Section 5 and Appendix D
- Council Tax and Business Rates Collection– Section 6
- Treasury – Section 7

## 2. Revenue Budget 2022/2023

### 2.1 Budget Summary

**2.1.1** A summary of the budget position as of 31 August 2022 is shown below. Note this has been restated following a restructure of service areas between that reported to Council on 23 February 2022 and 1 April 2022. A summary is shown in Appendix A of the movements.

P5 Forecast Outturn Position	Budget Agreed by Council 23 February 2022	Budgetary Control Monitoring Report August 2022/2023	Report Variance (Budget to August 2022)	Report Variance (Budget to July 2022)	Movement Pd4 to Pd5
Service	£	£	£	£	£
Central Services	3,186,180	3,193,430	7,250	7,250	0
Health Wellbeing and Public Protection	401,030	434,520	33,490	21,490	12,000
Programme and Project Delivery	234,530	234,530	0	0	0
Legal	486,440	462,630	(23,810)	0	(23,810)
Environment and Planning	1,630,900	1,645,010	14,110	2,300	11,810
Operations and Commercial	1,174,410	1,206,100	31,690	33,490	(1,800)
Property and Projects	(1,441,660)	(1,406,190)	35,470	35,470	0
Regeneration Housing & Place	867,590	868,600	1,010	2,210	(1,200)
Resources	7,982,060	7,961,330	(20,730)	(45,620)	24,890
Chief Executive	101,300	101,300	0	0	0
Leisure and Community Facilities	1,075,400	1,107,890	32,490	32,490	0
Financing Adjustment	2,320,670	2,320,670	0	0	0
Internal Drainage Boards	3,009,220	3,009,220	0	0	0
<b>Borough Spend</b>	<b>21,028,070</b>	<b>21,139,040</b>	<b>110,970</b>	<b>89,080</b>	<b>21,890</b>
Contributions to/(from) General Fund Balance	526,990	416,020	(110,970)	(89,080)	(21,890)
<b>Borough Requirement</b>	<b>21,555,060</b>	<b>21,555,060</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>P5 Forecast Outturn Position</b>	<b>Budget Agreed by Council 23 February 2022</b>	<b>Budgetary Control Monitoring Report August 2022/2023</b>	<b>Report Variance (Budget to August 2022)</b>	<b>Report Variance (Budget to July 2022)</b>	<b>Movement Pd4 to Pd5</b>
Revenue Support Grant	(647,530)	(647,530)	0	0	0
Rural Service Delivery Grant	(485,690)	(485,690)	0	0	0
New Homes Bonus	(589,610)	(589,610)	0	0	0
Other Government Grants	(629,760)	(629,760)	0	0	0
Business Rates Retention Additional Funding	(7,888,830)	(7,888,830)	0	0	0
Business Rates Renewable Energy	(2,811,280)	(2,811,280)	0	0	0
Contribution from Business Rate Reserves	(552,090)	(552,090)	0	0	0
Business Rates Pool – Council Share	(592,870)	(592,870)	0	0	0
Collection Fund	(25,000)	(25,000)	0	0	0
Council Tax	(7,332,400)	(7,332,400)	0	0	0
<b>Total Funding</b>	<b>(21,555,060)</b>	<b>(21,555,060)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2.3 Turnover Savings

The budgeted turnover savings for 2022/23 are (£550,000). At this point in the financial year, it is difficult to give an update until the impact of any pay award is known. See comment below at 2.4.1.

## 2.4 Opportunities/Risks

**2.4.1** It was anticipated that proposals for this year's cost-of-living pay award would be reported to cabinet in September followed by Council for consideration. However, the proposals for this year are being considered alongside national offers in the public sector which are currently indicated to be higher than the budgeted increase of 2.5%. A report will be presented to Cabinet on 15<sup>th</sup> November and Council on 1 December, any award of payments will be backdated to April 2022.

**2.4.2** The full impact of the escalating inflation on services in relation to utilities is not readily quantified, mainly as a result of reduced energy usage during social restrictions and for some sites where billing has been based on estimated meter readings. Monitoring continues at heightened levels with service managers to identify the impact on the budget. There are around 60 sites that have electricity accounts, less for gas and water but these all need to be reviewed. A 1% increase on utilities would cost around £9,000. In setting the Electricity and Gas budgets for 2022/23 the Council increased budgets by 10% and 12% respectively. The Council's purchase of gas is mitigated further through a future purchase model that means that future commitments are made at lower rates prevalent at the time. In relation to the heat pump project, we will have to wait until the winter to gauge how it is performing, the expectation is that there will be an increase in running costs over the short-medium term, but with gas prices projected to increase, the heat pumps are expected to be cheaper to run than the conventional gas-fired plant. In September 2022 Central Government announced a "new six-month scheme for businesses and other non-domestic energy users (including charities and public sector organisations like schools)". The detail as to which public authorities this will apply to has not been published at the time of reporting.

**2.4.3** Vehicle fuel costs in July 2022 were 49.7% higher than at the same time in the previous year. It is not known at this stage if prices will remain at these high levels and therefore an estimated increase of 36% over 2021/22 actuals has been assumed at this point in time and will be kept under review. This is an estimated increase of £50,000 above 2022/2023 budgeted spend.

**2.4.4** In relation to fees and charges forecasts based on actuals to date, support present the view that service income is back to pre-pandemic levels for budgeted income. There has been a change in demand where Town Centre Car Parking is below Pre-pandemic levels, but this reduction is offset by an increase in Resort Car Parking. This continues monitored along with a review in preparation of the 2022-2027 Financial Plan with consideration to the impact of inflation on service provision and asset maintenance costs.

### 3. Capital

**3.1** The Capital Programme 2022/23 original budget of £64,853,540 was approved at Council on 23<sup>rd</sup> February 2022. This figure has been revised to £68,634,070, as reported to Cabinet at its meeting on 2 August 2022, to incorporate amounts rephased from the 2021/2022 Capital outturn. The Capital Budget has been significantly reviewed in the preparation of this report and the budget has been revised for 2022/2023 by £24,659,240 to £43,974,830. The reduction in budget has been re-profiled to future years. The below table reports the revised budget for 2022/2023, actual spend and the movements reprofiled to future years.

#### 3.2 Capital Budget and Spend 2022/2023.

	Original Budget	Amended Budget July Monitoring	Amended Budget August Monitoring	Budget Revision	Budget Movement	Not e	Spend to 31 August 2022	Spend to 31 August 2022
	£	£	£	£	£		£	%
Major Projects	49,981,110	49,981,110	28,395,170	612,520	(22,198,460)	1,2,4 & 5	4,943,728	17
Community and Partnerships	2,480,680	2,510,680	2,510,680	0	0		742,244	30
Resources (S151 Officer)	383,460	383,460	383,460	0	0		99,040	26
Programme and Project Delivery	0	0	200,000	200,000		3	0	0
Property and Projects	309,330	309,330	309,330	0	0		25,256	8
Operational and Commercial Services	2,705,510	2,705,510	2,739,710	34,200	0	4	188,191	7
Leisure and Community Facilities	1,306,080	1,306,080	956,080	(350,000)	0	5	45,814	-
Central Services	250,000	250,000	250,000	0	0		0	-
<b>Total</b>	<b>57,416,170</b>	<b>57,446,170</b>	<b>35,744,430</b>	<b>496,720</b>	<b>(22,198,460)</b>		<b>6,044,274</b>	<b>17</b>

	Original Budget	Amended Budget July Monitoring	Amended Budget August Monitoring	Budget Revision	Budget Movement	Note	Spend to 31 August 2022	Spend to 31 August 2022
Exempt Corporate Schemes	11,217,900	8,230,400	8,230,400	0	0		2,359,607	29
<b>Total Capital Programme</b>	<b>68,634,070</b>	<b>65,676,570</b>	<b>43,974,830</b>	<b>496,720</b>	<b>(22,198,460)</b>		<b>8,403,881</b>	<b>19</b>

### 3.2.2 Notes to Capital Budget Revisions and Movement table.

Note 1 budget rephase £22,198,460

- Southend Road site works have commenced and spend is being incurred from September 2022. The budget for 2022/2023 has been reprofiled to future years by £500,000.
- Hunstanton Bus Station Regeneration project has reached a review stage with partners and while this takes place, planned spend of £3,823,130 has been rephased to 2023/2024.
- The following Projects have been reviewed and budgets reprofiled to future years reflecting spend to date; Salters Road - £4,766,890; Lynnsport 1 - £5,887,900; Parkway Gaywood £6,000,000.
- £1,220,540 is reprofiled to future years for Towns Fund so that the budgets are in line with changes formally agreed by the Kings Lynn Town Deal Board on 9<sup>th</sup> September 2022.

Note 2 budget addition £296,720

- Air Source Heat Pump Project – Enterprise Works; - £296,720 has been added to Major Projects for associated works and installation of an air source heat pump at Enterprise Works. This is to be funded by a grant from the Public Sector Decarbonisation Scheme (PSDS) of £159,817 and the remaining £136,903 is funded via the Councils climate change reserve.

Note 3 budget addition £200,000

- £200,000 has been added to the capital programme for the refurbishment of public conveniences in Downham Market Town Centre, funded by a small project reserve.

Note 4 budget revision £34,200

- £34,200 has been transferred from a contingency budget in Major Housing Projects to Operation and Commercial Services to cover the additional spend required to complete Heacham Toilets - South Beach, due to inflationary rises and changes within the project.

Note 5 budget revision £350,000

- A movement of £350,000 has taken place between service areas, the budget for the new 3G pitch at Lynnsport has moved from Leisure and Community Facilities and into Major Projects, this is due to its value.

### 3.3 Further detail of the August 2022 position is in Appendix B.

## 4. Reserves

### 4.1 The main reasons the Council holds reserves are to:

- Manage known financial risks
- Hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions
- Manage timing difference between receipt of funding and actual spend

- Hold ring-fenced funds such as specific grants

**4.2** As reported to Council in February 2022, the budget set out an estimated contribution to the General Fund Reserve of £526,990. The estimated contribution has now decreased to £416,020 because of the changes set out in this report. The revised impact on balances is detailed in the table below.

<b>Projected Movements in General Fund Balances</b>	<b>2022/23 £</b>
<b>Balance brought forward 1<sup>st</sup> April 2022</b>	<b>8,983,760</b>
Estimated contribution to/(from) Balances	416,020
<b>Projected General Fund Balance 31<sup>st</sup> March 2023</b>	<b>9,399,780</b>

**4.3** The projected balance for 2022/2023 remains above the minimum level of £1,128,410 required of the Council. However, it should be noted that the audit for the financial statements of 2019/2020 and 2020/2021 are not concluded and a possible outcome could result in a financial adjustment to the accounts which require further drawdown from the general fund balance

**4.4** The General Fund Balance is held at a higher level than it might normally be, enabling provision for a planned and measured response to the reduction in grant funding that is estimated to occur in the medium term. Significant draws from the general funding balance remain necessary in future years of the medium-term financial plan in order to set a balanced budget.

**4.5** The table below shows the reserves balances based on actual spending and budgeted spend in the year. The opening balance is as per the Revenue Outturn report reported to Cabinet at its meeting 2 August 2022. Following further accounting movements in compilation of the Council's draft Statement of Accounts for 2021/2022 published on 1 August 2022, it has been possible to revise the maximum limits for some reserves held. These revisions are reported in Appendix C. Earmarked reserves may change during the year following regular review to reflect actual emerging needs, to ensure they are adequate and necessary, and any reclassification for accounting regulation compliance.



Reserves	Opening balance 1 April 2022	Budgeted movements (To)/From (Revenue)	Capital Transfers	In year movements (To)/From Revenue	Forecast Outturn Balance 31 March 2023
<b>Ring Fenced Reserves</b>					
Amenity Areas	(2,350)				(2,350)
Capital Programme Resources	(782,702)	(4,480)			(787,182)
Collection Fund Adjustment Reserve	(10,692,516)			552,090	(10,140,426)
Grants Reserves	(2,600,139)	5,850		(44,419)	(2,638,708)
Holding Accounts	(116,765)				(116,765)
Grant and Capital (decision on classification pending)	(166,064)				(166,064)
Planning Reserves	(436,079)	64,330			(371,749)
Repairs and Renewal Reserves	(608,782)	29,850		31,494	(547,438)
Community Infrastructure Levy	(3,622,807)	(2,395,620)		(2,407)	(6,020,834)
Educational Skills Attainment	(878,979)	227,500			(651,479)
<b>Sub Total</b>	<b>(19,907,183)</b>	<b>(2,072,570)</b>	<b>0</b>	<b>536,758</b>	<b>(21,442,995)</b>
<b>Risk Management</b>					
Capital Programme	(71,324)				(71,324)
Legal Enforcement Reserve	(109,616)				(109,616)
Insurance	(225,661)	(10,000)			(235,661)
Planning Reserves	(25,410)				(25,410)
Food Hygiene Enforcement	(50,000)				(50,000)
<b>Sub Total</b>	<b>(482,010)</b>	<b>(10,000)</b>	<b>0</b>	<b>0</b>	<b>(492,010)</b>
<b>Service Delivery</b>					
Capital Programme Resources	(4,716,049)	(346,360)	1,838,490	122,085	(3,101,834)
Climate Change Strategy	(1,246,482)	313,160			(933,322)
Grants Reserves (decision on classification pending)	(2,015,842)	(37,000)			(2,052,842)
Holding Accounts	(1,878,538)	(20,000)		44,860	(1,853,678)
Ukrainian Community Support	(7,000)				(7,000)
Internal Audit Services	(3,770)				(3,770)
Planning Reserves	(86,249)	126,980			40,731
Project Reserves	(3,864,687)		114,000		(3,750,687)
Repairs and Renewal Reserves	(1,303,008)	(23,050)	477,410		(848,648)
Restructuring Reserve	(484,200)				(484,200)
Community Safety	(310,512)	(10,000)		12,960	(307,552)
<b>Sub Total</b>	<b>(15,916,339)</b>	<b>3,730</b>	<b>2,429,900</b>	<b>179,905</b>	<b>(13,302,804)</b>
<b>Grand Total</b>	<b>(36,305,532)</b>	<b>(2,078,840)</b>	<b>2,429,900</b>	<b>716,663</b>	<b>(35,237,809)</b>

## 5. Age Debt Analysis

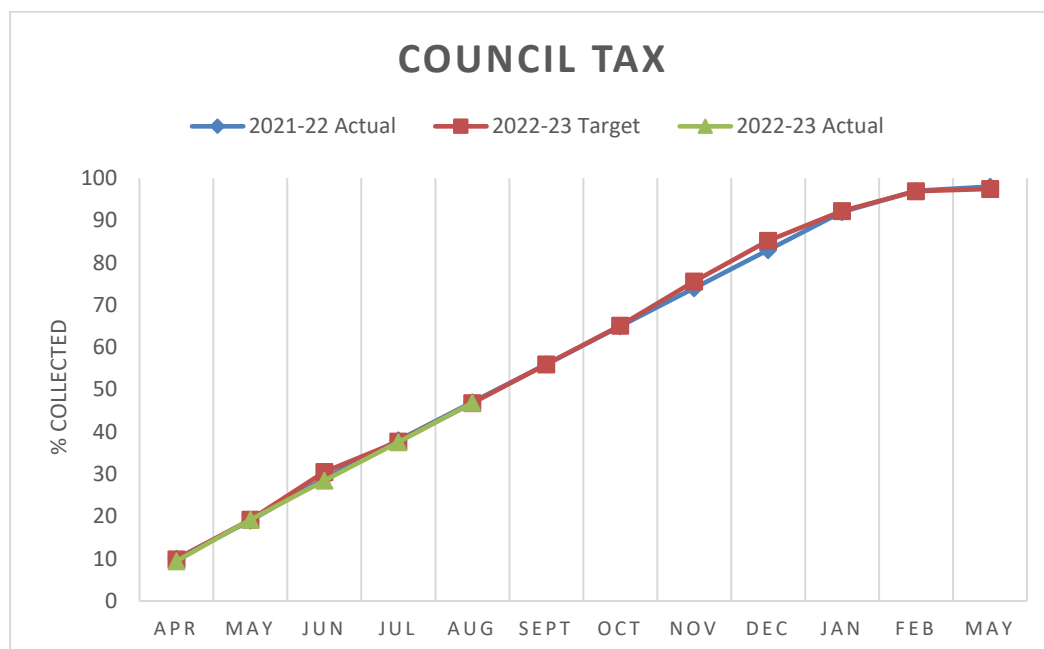
**5.1** The effective management and collection of debt is an essential contributor to the councils' financial resources. In accordance with good accounting practice, the Council makes appropriate provision for bad debts. Debt recovery levels have been and continue to be affected by the Pandemic and inflation. Debt recovery activity will be kept under heightened review to ensure resources are focussed on reducing debt levels and further comparators for debt recovery action will be added to future Monitoring Reports.

**5.2** The following information can be found in Appendix D

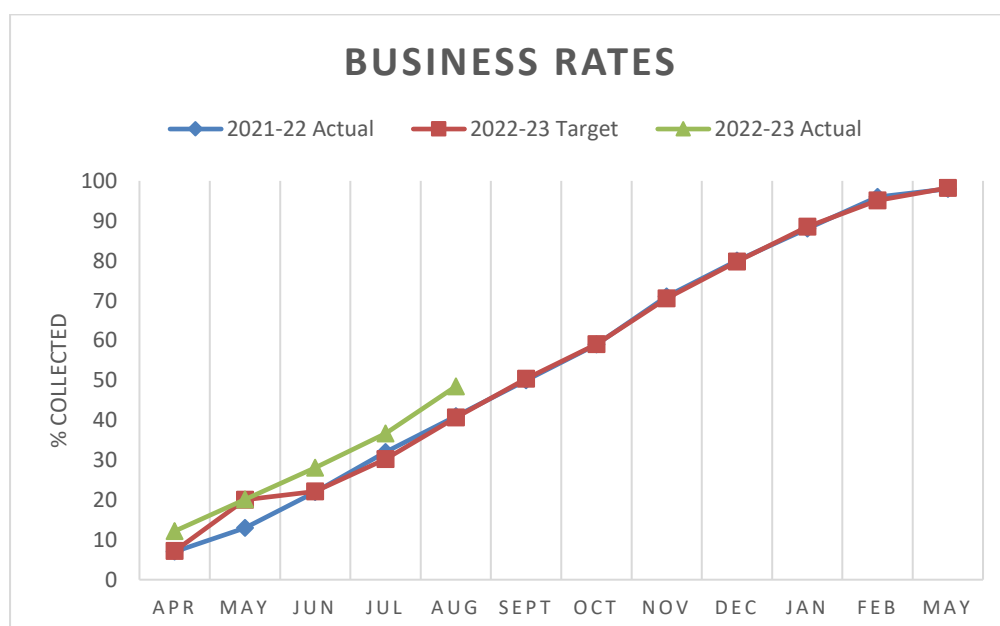
- Sundry Debtors
- Age debt analysis
- Housing Benefit Recovery Payments

## 6. Council Tax and Business Rates

- 6.1** As of 31 August 2022 46.85% of council tax has been collected against the target of 46.84%. See Chart below with comparison to 2021/22 actuals. The pressures from the increased cost of living on individuals and business are increasingly apparent in customer contract activity but had not impacted collection rates at the end of August 2022.

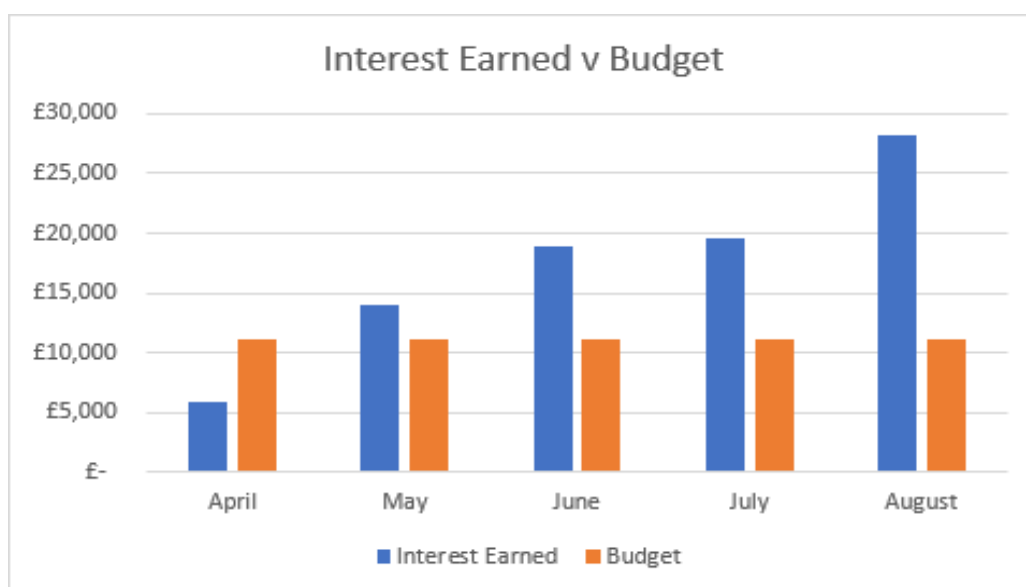


- 6.2** 48.47% of business rates has been collected against the target of 40.65%, as of 31 August 2022. See chart below with comparison to 2021/22 actuals.



## 7. Treasury Management 2022/23

- 7.1** The “Treasury Management Strategy Statement and Annual Investment Strategy 2022/2023” was approved by Council on 9 February 2022. The Council’s Treasury Management Strategy will be updated as appropriate for any changes made to the code of practice by CIPFA.
- 7.2** The budgeted ROI (Return on Investment) is £278,790, excluding capital loans it is £132,480. As of 31 August 2022, the forecasted position £178,160, again this is excluding capital loans. This is monitored along with the Bank of England interest rates and the budget revised as part of the estimate process and will form part of the half yearly Treasury Management report.
- 7.3** The graph below compares the average interest earned each month to the forecasted budget. The budget is shown on an even twelfth/straight-line basis.



- 7.4** The monitoring report includes prudential indicators, updates on movements in borrowing and investments during the period.

### Prudential Indicators

Indicator	Original Limit 2022/2022	Actual Borrowing 31 August 2022
Operational Boundary (Limit of borrowing)	£77m	£10m
Short-term and variable rates borrowing limits	40%	0%

## Loans

Institution	Principal £	Rate %
Short Term borrowing	0	
<b>Total Short Term</b>	<b>0</b>	
Barclays	5,000,000	3.810%
Barclays	5,000,000	3.810%
<b>Total Long Term</b>	<b>10,000,000</b>	
<b>Total Borrowing</b>	<b>10,000,000</b>	

## Investments

Institution	Principal £	Rate %
Aberdeen Liquidity – MMF	2,180,000	1.603%
Federated Hermes – MMF	4,000,000	1.677%
HSBC Sterling – MMF	4,000,000	1.665%
LGIM - MMF	4,000,000	1.687%
<b>Total Money Market Fund Investment</b>	<b>14,180,000</b>	
Handlesbanken	4,000,000	1.000%
Lancashire County Council	4,000,000	2.100%
Landesbank Hessen-Thüringen Girozentrale (Helaba) Frankfurt	4,000,000	1.720%
Santander	4,000,000	1.000%
SMBC Bank International plc	4,000,000	2.020%
<b>Total Other Investments</b>	<b>20,000,000</b>	
<b>Overall Investments</b>	<b>34,180,000</b>	

## 8. Conclusion

- 8.1** The primary objective of this report is to monitor service area performance against allocated budgets and to consider variances to the budget figure in the light of current circumstances.
- 8.2** Careful budgetary control throughout the year ensures that resources are applied as planned, fulfilling the goal to secure the long-term economic future of the borough. Budgetary control is applied in a consistent manner across all budgets, and individual decisions to be taken during the financial year are reviewed for impact on a case-by-case basis before they are taken, so that any identified impact can be considered and taken into account at the appropriate time.
- 8.3** The content of this budget monitoring report is designed to enable Councillors and Senior Officers to see the financial position of the Council as a whole, as required by the Local Government Act 2003

## Appendix A

### Budget Monitoring Variances August 2022

Following changes to reporting tools in the current year, Budget Monitoring reviews are better able to focus attention on both prior year actuals and current year to date actuals. This has resulted in challenge to the level of budgets in current and future years leading to budgets being reduced or removed, which then better reflects both current spending and income needs

Amounts in (Brackets) are favourable and others are adverse movements.

<b>Central Services – deficit £7,250</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Adobe Licence Fee for Graphics not been budgeted for	2,250			Yes
Training income budget removed as delivery of training to other parties not generating levels of income	5,000			Yes
<b>Total</b>	<b>7,250</b>	<b>0</b>	<b>7,250</b>	
<b>Health, Wellbeing and Public Protection – deficit £33,490</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Careline – Rent for industrial unit not budgeted for this year	1,620			Yes
Financial Assistance – Cost of car parking passes for King's Lynn Festival staff. Expected to be the last year of funding this cost.	2,370			No
Community Safety and Neighbourhood Nuisance – as agreed at Cabinet – 16 <sup>th</sup> November 2021, a revenue budget to be included for	17,500			Yes

additional vehicle running costs and associated IT and ancillary costs associated with new Enforcement posts				
Re-allocation of budgeted employee costs to reflect recharges based on actual workload. increase is covered by reduction in Legal Services *		12,000		<b>Yes</b>
<b>Total</b>	<b>21,490</b>	<b>12,000</b>	<b>33,490</b>	
<b>Legal Services – surplus £23,810</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Recharge of costs budgeted in Legal Services to reflect actual workload in other services. *		(23,810)		<b>Yes</b>
<b>Total</b>	<b>0</b>	<b>(23,810)</b>	<b>(23,810)</b>	
<b>Environment and Planning – deficit £14,110</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Rent of an industrial unit used by Emergency Planning not in budget for this year, has been in budget last two years but appears to have been removed in error	2,500			<b>Yes</b>
Miscellaneous	(200)			<b>No</b>
Re-allocation of budgeted employee costs to reflect recharges based on actual workload. increase is covered by reduction in Legal Services *		11,810		<b>Yes</b>
<b>Total</b>	<b>2,300</b>	<b>11,810</b>	<b>14,110</b>	

<b>Operations and Commercial – deficit £31,690</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	
Adjustments to CCTV internal recharges to other service areas following review. Some areas have not had a CPI (Consumer Price Index) increase applied, have not been charged when should have been and an increase in cameras at some sites **	(32,800)			<b>Yes</b>
Correction of budget to £17,500 to cover cost of leasing two visitor Pontoons from the Kings Lynn Harbour Authority, budget was incorrect last year	5,000			<b>Yes</b>
Income budget removed for Sunday Market 'regular' tolls only casual market tolls paid for the Sunday Market	13,700			<b>Yes</b>
Vehicle fuel costs in July 2022 are 49.7% higher than at the same time in the previous year. It is not known at this stage if prices will remain at these high levels and therefore an estimated increase of 36% over 2021/22 actuals has been assumed	50,000			<b>Yes</b>
Miscellaneous	(2410)			<b>No</b>
New Crazy Golf at The Walks		(1,800)		<b>Yes</b>



generating additional income for council, no budget originally.				
<b>Total</b>	<b>33,490</b>	<b>(1,800)</b>	<b>31,690</b>	
<b>Property and Projects – deficit £35,470</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
A realignment of budgets for Property Services. This comprises of budgets for postage, water bills, contract cleaning and minor adjustments to repairs and equipment budgets, to reflect the running costs of let premises.	(10,110)			<b>Yes</b>
A contribution to reserves is made each year for King's Court furniture hired by DWP who are tenants of the building, this is provided under the SLA. But had not been budgeted for	16,740			<b>Yes</b>
Increase in cost for Property Services in relation to annual subscriptions.	1,740			<b>Yes</b>
A loss of income for shops, offices and units is forecast for the first quarter due to vacant properties following loss of tenants, the properties are being marketed to be re let, will be reviewed	9,820			<b>No</b>
Miscellaneous	(2,480)			<b>No</b>
Increase in business rates for general properties in use by the	23,180			<b>Yes</b>

Council to reflect occupancy changes.				
Realignment of travel budget in Property Services in line with review.	(7,080)			<b>Yes</b>
Miscellaneous	3,660			<b>No</b>
				<b>No</b>
<b>Total</b>	<b>35,470</b>	<b>0</b>	<b>35,470</b>	
<b>Regeneration, Housing and Place – deficit £1,010</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
An increase in internal recharges for CCTV following review **	2,210			<b>Yes</b>
Estimated savings following reduced need by Economic development for room hire		(1,200)		
<b>Total</b>	<b>2,210</b>	<b>(1,200)</b>	<b>1,010</b>	
<b>Resources – surplus £20,730</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
Adjustment following notification of current year's Housing Benefit Subsidies and Grant adjusted from estimated levels.	(81,980)			<b>Yes</b>
Removal of professional fees budget within Revenues and Benefits as no longer required	(1,000)			<b>Yes</b>
Miscellaneous	230			<b>No</b>
Welfare Reform – Professional Fees realigned following review	14,240			<b>Yes</b>
DWP Welfare Reform grant increased in line with actuals	27,770			<b>Yes</b>

Miscellaneous	(4,880)			<b>No</b>
Increased expenditure for software maintenance and for telephones to work through Microsoft Teams		3,050		<b>Yes</b>
Loss of income from rental property, vacated with no immediate plans to remarket as pending redevelopment.		21,840		<b>Yes</b>
<b>Total</b>	<b>(45,620)</b>	<b>24,890</b>	<b>(20,730)</b>	
<b>Leisure and Community Facilities – deficit £32,490</b>				
<b>Movements</b>	<b>£</b>	<b>£ Movements from Pd4</b>	<b>£</b>	<b>Impact on Financial Planning</b>
An increase in internal recharges for CCTV following review **	31,730			<b>Yes</b>
Miscellaneous	760			<b>No</b>
<b>Total</b>	<b>32,490</b>	<b>0</b>	<b>0</b>	
<b>Grand Total</b>	<b>89,080</b>	<b>21,890</b>	<b>110,970</b>	

#### Notes

\*Movement of staffing budget across service areas – net nil impact

\*\*Adjustment in recharges for CCTV across service areas – a net impact of £1k increase across budgets



Cost Centre	Capital Programme 2022/2026	Original Budget 2022/2023	Actuals 2022/2023 P5	June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	August Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023		Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Total Capital Project 2022/2026
		£	£	£	£	£	£	£		£	£	£	£
	<b>MAJOR PROJECTS</b>												
	<b>Enterprise Zone</b>												
C8501	Project Mmgt / Marketing	38,970	1,796					38,970		35,000	35,000	0	108,970
C8502	Roads / Infrastructure	6,008,270	208,735					6,008,270		2,421,560	0	0	8,429,830
C8504	Premisis		4,732					0					
	<b>Total Enterprise Zone ( AD Property and Projects)</b>	<b>6,047,240</b>	<b>215,264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,047,240</b>		<b>2,456,560</b>	<b>35,000</b>	<b>0</b>	<b>8,538,800</b>
	<b>Major Housing Development</b>												
C8161	Salters Road - Contractor Cost	7,373,760	835,622				(4,766,890)	2,606,870		9,696,590	0	0	12,303,460
C8161	Salters Road - AHG Contribution	0						0		0	0	0	0
C8602	Alex'dra Rd Hun'ton BCKLWNCost	15,370	2,883					15,370		3,450,000	2,036,570	0	5,501,940
C8125	Phase 3-Lynnsport 1	6,080,900	69,021				(5,887,900)	193,000		11,253,880	6,988,410	1,630,840	20,066,130
C8123	Phase 1-Lynnsport 3	0	49,730					0		0	0	0	0
C8124	Phase 2 -Lynnsport 4 /5	174,530	8,982					174,530		0	0	0	174,530
C8121	Phase 1 - Marsh Lane	0						0		0	0	0	0
C8142	Major Housing Management	8,000	2,206					8,000		8,000	2,510	0	18,510
C8164	MHP Unallocated Budget	102,290				(34,200)		68,090		0	0	0	68,090
C8431	Parkway - Gaywood	6,800,000	256,040				(6,000,000)	800,000		11,000,000	11,000,000	11,000,000	33,800,000
C8431	Parkway - ACP Contribution	0						0		0	0	0	0
C8100	Nora Phase 4	9,716,820	2,975,065					9,716,820		604,500	0	0	10,321,320
C8102	Nora Phase 5	383,640	2,288					383,640		391,190	841,090	3,266,780	4,882,700
C5003	Hunstanton Regeneration Bus Station & NCC Library	4,573,130	8,918				(3,823,130)	750,000		9,000,000	1,181,380	0	10,931,380
C5003	Hunstanton Regeneration Bus Station & NCC Library - AHG	(388,490)						(388,490)					(388,490)
	Net Hunstanton Regeneration Bus Station & NCC Library	<b>4,184,640</b>	<b>8,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,823,130)</b>	<b>361,510</b>		<b>9,000,000</b>	<b>1,181,380</b>	<b>0</b>	<b>10,542,890</b>
C5004	Hunstanton Regeneration Southend Road Car Park	4,082,770	359,030				(500,000)	3,582,770		3,220,040	0	0	6,802,810
C5004	Hunstanton Regeneration Southend Road Car Park - AHG							0					0
	Net Hunstanton Regeneration Southend Road Car Park	<b>4,082,770</b>	<b>359,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(500,000)</b>	<b>3,582,770</b>		<b>3,220,040</b>	<b>0</b>	<b>0</b>	<b>6,802,810</b>
	<b>Total Major Housing Development (AD Companies and Ho</b>	<b>38,922,720</b>	<b>4,569,785</b>	<b>0</b>	<b>0</b>	<b>(34,200)</b>	<b>(20,977,920)</b>	<b>17,910,600</b>		<b>48,624,200</b>	<b>22,049,960</b>	<b>15,897,620</b>	<b>104,482,380</b>
	<b>Other Major Projects</b>												
	<b>Towns Fund</b>												
C9064	Town Centre Public Realm	216,570	5,955					216,570		0	0	0	216,570
C9061	St Georges Guildhall Complex	321,060						321,060		795,830	1,899,800	9,079,790	12,096,480
C9063	Active and Clean Connectivity	1,136,860	17,241				(992,860)	144,000		2,706,350	2,272,600	825,350	5,948,300
C9066	Riverfront Regeneration	300,000	50,358					300,000		1,000,000	2,100,000	778,940	4,178,940
C9067/C8435	Multi User Community Hub	977,680					(227,680)	750,000		721,000	6,429,000	0	7,900,000
C9065	Programme Management	84,430	42,708					84,430		92,000	95,000	89,600	361,030
	<b>Total Towns Fund</b>	<b>3,036,600</b>	<b>116,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,220,540)</b>	<b>1,816,060</b>		<b>5,315,180</b>	<b>12,796,400</b>	<b>10,773,680</b>	<b>30,701,320</b>
C0808	Purfleet Floating Restaurant	75,080						75,080		0	0	0	75,080
C8174	Chapel Street	272,910	14,090					272,910		0	0	0	272,910
C8174	Chapel Street	32,370						32,370		0	0	0	32,370
C8174	Chapel Street Third Party Cot'n (Historic England)	(26,680)						(26,680)		0	0	0	(26,680)
C8174	Chapel Street Business Rates Pool Contribution	(139,300)						(139,300)		0	0	0	(139,300)
	Chapel Street Net Spend	<b>139,300</b>	<b>14,090</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139,300</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>139,300</b>
C8170	Nelson Quay Redevelopment	100,000						100,000		0	0	0	100,000

Cost Centre	Capital Programme 2022/2026	Original Budget 2022/2023	Actuals 2022/2023 P5	June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	August Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023		Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Total Capital Project 2022/2026
C8203	NORA Remediation	216,480						216,480		545,890	0	0	762,370
C8172	South Quay Somerfield Thomas Silo	517,530	61,211					517,530		0	0	0	517,530
C8172	South Quay Business Rates Pool Contribution	(258,760)						(258,760)		0	0	0	(258,760)
	South Quay Somerfield Thomas Silo Met Spend	258,770	61,211	0	0	0	0	258,770		0	0	0	258,770
C8175	South Quay Stage 3	120,000						120,000		0	0	0	120,000
C0950	Factory Unit 1 - New Depot Site	192,310	2,734					192,310		0	0	0	192,310
TBC	Air Source Heat Pump Project - Enterprise Works	0				296,720		296,720		0	0	0	296,720
	<b>Total for AD Property and Projects</b>	<b>1,101,940</b>	<b>78,035</b>	<b>0</b>	<b>0</b>	<b>296,720</b>	<b>0</b>	<b>1,398,660</b>		<b>545,890</b>	<b>0</b>	<b>0</b>	<b>1,944,550</b>
								0					
C1421	Decarbonisation Re:Fit 2	942,730	888,300					942,730		0	0	0	942,730
C1421	Decarbonisation Re:Fit 2 Grant	(942,730)	(942,734)					(942,730)		0	0	0	(942,730)
	<b>Total for AD Planning</b>	<b>0</b>	<b>(54,434)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C8173	Southgate Regen Area Business Rate Pool Contrib	540,560						540,560		0	0	0	540,560
C8173	Southgate Regen Area Net Spend	(270,280)						(270,280)		0	0	0	(270,280)
		270,280	0	0	0	0	0	270,280		0	0	0	270,280
C0102	ICI/Active Travel Hub (KLIC2)	141,320	18,818					141,320					141,320
C0102	ICI/Active Travel Hub - NSF Contribution	(175,000)						(175,000)					(175,000)
		(33,680)	18,818	0	0	0	0	(33,680)		0	0	0	(33,680)
	<b>Total for AD Regeneration</b>	<b>236,600</b>	<b>18,818</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>236,600</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>236,600</b>
C1420	Re:Fit Project	636,010						636,010		0	0	0	636,010
C0329	L/Sport New 3G Pitch	350,000						350,000		0	0	0	350,000
	<b>Total for AD Leisure and Community Facilities</b>	<b>986,010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>986,010</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>986,010</b>
	<b>Total Major Projects</b>	<b>50,331,110</b>	<b>4,943,728</b>	<b>0</b>	<b>0</b>	<b>262,520</b>	<b>(22,198,460)</b>	<b>28,395,170</b>		<b>56,941,830</b>	<b>34,881,360</b>	<b>26,671,300</b>	<b>146,889,660</b>
	<b>OPERATIONAL SCHEMES</b>												
	<b>AD Community and Partnerships</b>												
C1201	Disabled Facilities Grant	618,200	178,322					618,200		618,200	618,200	618,200	2,472,800
C1202	Adapt Grant	1,445,840	467,445					1,445,840		1,381,800	1,381,800	1,381,800	5,591,240
		2,064,040	645,767	0	0	0	0	2,064,040		2,000,000	2,000,000	2,000,000	8,064,040
	<b>Preventative Works</b>												
C1203	Home Repair Assistance Load	0						0		0	0	0	0
C1204	Emergency Repair Grant	0	500					0		0	0	0	0
C1206	Careline Grant	25,000	1,975					25,000		25,000	25,000	25,000	100,000
C1207	Safe and Secure Grant	0	9,894					0		0	0	0	0
C1209	Discretionary Adaptation Assistance	0						0					0
C1212	Low Level Prevention Fund	125,000	41,505					125,000		125,000	125,000	125,000	500,000
	<b>Preventative Works Total</b>	<b>150,000</b>	<b>53,874</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>600,000</b>
	Total Private Sector Housing Assistance	2,214,040	699,641	0	0	0	0	2,214,040		2,150,000	2,150,000	2,150,000	8,664,040
C1710	Careline-Replacement Alarm Uni	60,000						60,000		60,000	60,000	60,000	240,000
C1709	Careline - Replacement Vehicles	56,850						56,850		0	0	0	56,850
C8303	Community Projects	78,890	42,603					78,890		50,000	50,000	50,000	228,890
	Community Projects - Members	70,900						70,900		55,000	55,000	55,000	235,900

Cost Centre	Capital Programme 2022/2026	Original Budget 2022/2023	Actuals 2022/2023 P5	June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	August Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023		Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Total Capital Project 2022/2026
TBC	Community Safety Vehicle	0		30,000				30,000		0	0	0	30,000
	<b>Total for AD Community &amp; Partnerships</b>	<b>2,480,680</b>	<b>742,244</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,510,680</b>		<b>2,315,000</b>	<b>2,315,000</b>	<b>2,315,000</b>	<b>9,455,680</b>
	<u><b>AD Resources (\$151 Officer)</b></u>												
C9001	ICT Development Programme	356,180	93,570					356,180		150,000	150,000	150,000	806,180
C9009	Standard Desktop Refresh	27,280	5,470					27,280		0	300,000	150,000	477,280
	<b>Total for AD Resources (\$151 Officer)</b>	<b>383,460</b>	<b>99,040</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>383,460</b>		<b>150,000</b>	<b>450,000</b>	<b>300,000</b>	<b>1,283,460</b>
	<u><b>AD Programme and Projects</b></u>												
TBC	Downham Market Public Conveniences	0	0			200,000		200,000		0	0	0	0
	<b>Total for AD Programme and Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>200,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
	<u><b>AD Property and Projects</b></u>												
C1413	Princess Theatre Roof Replacement	246,600	2,830					246,600		0	0	0	246,600
C1409	Sewage Treatment Works Refurb/Connect Public Sewer	28,000						28,000		0	0	0	28,000
C1510	Kings Court Flat Roof	34,730	22,426					34,730		0	0	0	34,730
	<b>Total for AD Property and Projects</b>	<b>309,330</b>	<b>25,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309,330</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>309,330</b>
	<u><b>AD Operational and Commercial Services</b></u>												
	<u>Car Parks</u>												
C0901	Resurfacing	361,800						361,800		0	0	0	361,800
C0905	Car Parks P&D Machine Replace	240,000						240,000		0	0	0	240,000
C0912	Car Pk MS Barrier Ticket Mach	38,130						38,130		0	0	0	38,130
C0913	Car Prk MS Lighting + Controls	192,000						192,000		0	0	0	192,000
C0914	Mintlyn Crem - Extend Car Park	140,000						140,000		0	0	0	140,000
C0906	Decrim Car Park Fiesta Vans	49,150						49,150		0	0	0	49,150
C0906	Car Park Fiesta Vans Third Party Contributions	(49,150)						(49,150)		0	0	0	(49,150)
	Car Park Fiesta Vans Net Spend	0	0	0	0	0	0	0		0	0	0	0
	<u>CCTV</u>												
C1802	CCTV Control Room Upgrade	271,050						271,050		0	0	0	271,050
C1805	CCTV Kettlewell Gadens	24,840						24,840		0	0	0	24,840
C1807	CCTV Multistorey	9,890						9,890		0	0	0	9,890
C1809	CCTV Crem	7,730						7,730		0	0	0	7,730
											0	0	
C0705	Christmas Lights Replacement	187,550						187,550		0	0	0	187,550
C1712	Emerg Plan - Replace Radios	0						0		30,000	0	0	30,000
C1401	Estate Roads - Resurfacing	30,500						30,500		0	0	0	30,500
C1605	Gayton Road Cemetery Extension	0						0		145,800	0	0	145,800
C0702	Parking/Gladstone Server Upgrade	12,030						12,030		0	0	0	12,030
C0935	Digital Signge Installation - NTP	43,000						43,000					43,000
C0935	Third Party Contribution	(43,000)	(43,000)					(43,000)					(43,000)
C0936	Public Realm/Town Deal/High Street	45,120	7,948					45,120					45,120
C0925	NSF Events Equipment	135,000						135,000		0	0	0	135,000
C0925	NSF Third Party Contribution	(100,000)	(100,000)					(100,000)		0	0	0	(100,000)
C0610	Heacham Toilets South Beach	67,200	98,151			34,200		101,400		0	0	0	101,400
C0610	Heacham Toilets South Beach - Contribution	(47,500)	(10,000)					(47,500)		0	0	0	(47,500)

Cost Centre	Capital Programme 2022/2026	Original Budget 2022/2023	Actuals 2022/2023 P5	June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	August Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023		Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Total Capital Project 2022/2026
	<u>Refuse and Recycling</u>												
C2101	Refuse - Black Bins	25,000	35,881					25,000		25,000	25,000	0	75,000
C2103	Brown Bins/Compost	25,000	21,758					25,000		25,000	25,000	0	75,000
C2104	Green Bins/Recycling	25,000	25,434					25,000		25,000	25,000	0	75,000
C2105	Trade Bins	25,000	6,300					25,000		25,000	25,000	0	75,000
C2106	Refuse Vehicles	18,010						18,010		0	0	0	18,010
C0701	Replacement Play Area Equipment	40,000	12,511					40,000		20,000	20,000	20,000	100,000
C0706	Play Area Equipment - King's Lynn (KLAC)	8,000						8,000		0	0	0	8,000
C0707	Replacement Dog Bins	21,000						21,000		0	0	0	21,000
C0708	Downham Market Play Equipment	100,000	98,707					100,000		0	0	0	100,000
C0708	Downham Market Play Equipment Contribution	(50,000)						(50,000)		0	0	0	(50,000)
C0605	Resort Replacement Play Area Equipment	28,000						28,000		0	0	0	28,000
C0602	Resort - Beach Safety Signage	15,000						15,000		0	0	0	15,000
C0606	Resort - Visitor Digital Sign	50,000						50,000		0	0	0	50,000
C8302	Tourist Signs A47	21,000						21,000		0	0	0	21,000
C1704	Grounds Maintenance Equipment	43,500	34,500					43,500		95,000	0	0	138,500
C1701	Grounds Maintenance Vehicles	254,120						254,120		40,500	29,680	0	324,300
C1705	Public Cleansing Vehicles	441,540						441,540		358,090	0	0	799,630
	<b>Total for AD Operations and Commercial</b>	<b>2,705,510</b>	<b>188,191</b>	<b>0</b>	<b>0</b>	<b>34,200</b>	<b>0</b>	<b>2,739,710</b>		<b>789,390</b>	<b>149,680</b>	<b>20,000</b>	<b>3,698,780</b>
	<b><u>AD Leisure and Community Facilities</u></b>												
	<u>Corn Exchange</u>												
C0214	Corn Exchange -Internal Dec	10,000	2,994					10,000		0	0	0	10,000
C0215	Corn Exchange -Refurbish Seating	15,000	4,008					15,000		15,000	15,000	15,000	60,000
C0219	Corn Exchange - Replace Speakers	100,000	2,527					100,000		0	0	0	100,000
C0221	Corn Exchange - Light Desk & Lights	0						0		50,000	0	0	50,000
C0223	Corn Exchange - Mobile Elevat Wrk Platf	0						0		15,000	0	0	15,000
	<u>Downham Market Leisure Centre</u>												
C0403	DMLC - Replacement Spin Bikes	23,000						23,000		0	0	0	23,000
C0406	DMLC - Replace Heat/Cool AHU Dance Studio	25,000						25,000		0	0	0	25,000
C0407	DMLC - Fitness Room Flooring	30,000						30,000		0	0	0	30,000
C0411	DMLC - HallDance Studio Reseal	22,250						22,250		0	0	0	22,250
new	DMLC - Fitness Equipment	60,000						60,000		0	0	0	60,000
	<u>Lynnsport</u>												
C0301	Lynnsport - Fitness Equipment	108,000						108,000		0	0	0	108,000
C0306	L/Sport - Floor Surface Reseal	40,000						40,000		0	0	0	40,000
C0312	L/Sport Fire Alarm Upgrade	15,000						15,000		0	0	0	15,000
C0323	L/sport Boilers & Plant	35,000						35,000		0	0	0	35,000
C0351	L/Sport Athletics Cage replacement and lighting upgrade	67,900	36,286					67,900		0	0	0	67,900
C0324	L/Sport Toilets & Changing Room	32,480						32,480		0	0	0	32,480
C0327	L/Sport Spin Bikes	17,000						17,000		0	0	0	17,000
new	L/Sport Spin Room	10,000						10,000		0	0	0	10,000
new	L/Sport Spin Room - CIL Funding	(10,000)						(10,000)		0	0	0	(10,000)
C0331	L/Sport Female Changing Room Sauna	0						0		10,000	0	0	10,000
C0350	L/Sport Wellness Studio	150,000						150,000		0	0	0	150,000
C0350	L/Sport Wellness Studio - CIL Funding	(50,000)						(50,000)		0	0	0	(50,000)
TBC	L/Sport Spin Ventilation	35,000						35,000		0	0	0	35,000
new	L/Sport Fitness Flooring	40,000						40,000		0	0	0	40,000
	<u>St James Pool</u>												
C0502	St James - Floor/Surface Replace	25,000						25,000		0	0	0	25,000



Cost Centre	Capital Programme 2022/2026	Original Budget 2022/2023	Actuals 2022/2023 P5	June Monitoring Amendments 2022/2023	July Monitoring Amendments 2022/2023	August Monitoring Amendments 2022/2023	Monitoring Rephasing 2022/2023	Projected Outturn 2022/2023		Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Total Capital Project 2022/2026
C0505	St James Fitness Equipment	30,000						30,000		0	0	0	30,000
C0506	St James Pool Covers	11,000						11,000		0	0	0	11,000
C0510	St James Spin Bikes	20,000						20,000		0	0	0	20,000
C0514	St James Replacement Plant	9,450						9,450		0	0	0	9,450
	Oasis												
C1009	Oasis Fire Doors	15,000						15,000		0	0	0	15,000
new	Oasis Fitness Equipment	50,000						50,000		0	0	0	50,000
new	Oasis Fitness Flooring	20,000						20,000		0	0	0	20,000
	<b>Total for AD Leisure and Community Facilities</b>	<b>956,080</b>	<b>45,814</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>956,080</b>		<b>90,000</b>	<b>15,000</b>	<b>15,000</b>	<b>1,076,080</b>
	<b>AD Central Services</b>												
TBC	Technology and Other Equipment (Flexible Working)	250,000						250,000		0	0	0	250,000
	<b>Total AD Central Services</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>
	<b>Total Operational Schemes</b>	<b>7,085,060</b>	<b>1,100,545</b>	<b>30,000</b>	<b>0</b>	<b>234,200</b>	<b>0</b>	<b>7,349,260</b>		<b>3,344,390</b>	<b>2,929,680</b>	<b>2,650,000</b>	<b>16,273,330</b>
	<b>Total Capital Programme (Non Exempt)</b>	<b>57,416,170</b>	<b>6,044,274</b>	<b>30,000</b>	<b>0</b>	<b>496,720</b>	<b>(22,198,460)</b>	<b>35,744,430</b>		<b>60,286,220</b>	<b>37,811,040</b>	<b>29,321,300</b>	<b>163,162,990</b>
	<b>Total Commercially Sensitive Schemes (Exempt)</b>	<b>11,217,900</b>	<b>2,359,607</b>	<b>0</b>	<b>(2,987,500)</b>	<b>0</b>	<b>0</b>	<b>8,230,400</b>		<b>2,628,630</b>	<b>0</b>	<b>0</b>	<b>10,859,030</b>
	<b>TOTAL CAPITAL PROGRAMME</b>	<b>68,634,070</b>	<b>8,403,881</b>	<b>30,000</b>	<b>(2,987,500)</b>	<b>496,720</b>	<b>(22,198,460)</b>	<b>43,974,830</b>		<b>62,914,850</b>	<b>37,811,040</b>	<b>29,321,300</b>	<b>174,022,020</b>

## Appendix C - Limits and Purposes for Earmarked Reserves

Reserves Policy Area	Balances 1 April 2022 £'000	Maximum limits for 2020/2021 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Amenity Areas	2	300	300	300
Capital Programme Resources	5,570	9,000	9,000	9,000
West Norfolk Partnership	879	1,100	1,100	1,100
Insurance Reserve	226	300	300	300
Restructuring Reserve	484	1,000	1,000	1,000
Repairs and Renewals Reserve	1,912	2,000	2,000	2,000
Holding Accounts	2,105	2,600	2,600	2,600
Ring Fenced Reserves	3,983	3,200	4,200	4,200
Climate Change Strategy	1,246	0	1,100	1,250
Planning Reserves	548	800	800	800
Grants Reserves	4,616	4,200	4,800	4,800
Collection Fund Adjustment Reserve	10,693	17,000	8,000	11,500
Projects Reserve	3,865	800	4,200	4,200
Other Total	177	3,500	1,000	500
	<b>36,306</b>	<b>45,800</b>	<b>40,400</b>	<b>43,550</b>

### **Amendment to limits are required for the following:-**

Climate Change Strategy reserve is increased by £0.15m as a result of an additional allocation from the 2021/2022 outturn report agreed at Cabinet 2 August 2022.

Collection Fund Adjustment Reserve is increased £3.5m following a further allocation of Section 31 grant to offset the Business Rates discount provided by Central Government to businesses in continuation of support recovery from the Covid Pandemic. This is a statutory reserve and therefore the limit needs to adhere to the levels necessarily held in compliance with regulations for Collection Fund Accounting.

Other Reserves limit is reduced by £0.5m following a continued monitoring of reserves purposes and levels held beyond contractual commitments and for managing risks.

## **Purpose of Reserve**

**Amenity Areas Reserve** – used to maintain amenity land on housing and other sites.

**Capital Programme Resources Reserve** – used to fund the Capital Programme including replacement of vehicles and personal computers. It has been established by annual contributions from the revenue budget and is a combination of various specific capital reserves.

**West Norfolk Partnership** – tackles problems affecting residents of West Norfolk in a joint initiative between public, private and voluntary sector organisations.

**Insurance Reserve** – was established to fund expenditure required as necessary by our Insurance Company and also to meet areas of risk management expenditure.

**Restructuring Reserve** – meets any future in-year costs arising through service reviews and changes in staffing structure.

**Repairs and Renewals Reserve** – are maintained to help equalise the impact on the revenue accounts of programmed repairs. Annual contributions help to maintain the levels of the funds.

**Holding Accounts** – there are a number of reserves included under this heading, the main reserves include: housing reserves, Homelessness Projects, reserves for cleansing and refuse/recycling, Legal Commissioning Reserve, Elections Reserve.

**Ring Fenced Reserve** - can only be used for specific purposes. Included are Section 106 Funds, the Building Control account and Trust Funds that are administered by the Council on behalf of trustees.

**Climate Change Strategy** - allow implementation of smaller schemes; help fund preparation for larger capital scheme funding bids and also fund feasibility reports on potential options in support of the Council's Emissions Reduction Strategy and Action Plan.

**Planning Reserve** – used to enable the Council to fulfil its planning role.

**Grants Reserves** - money received from external bodies for specific tasks.

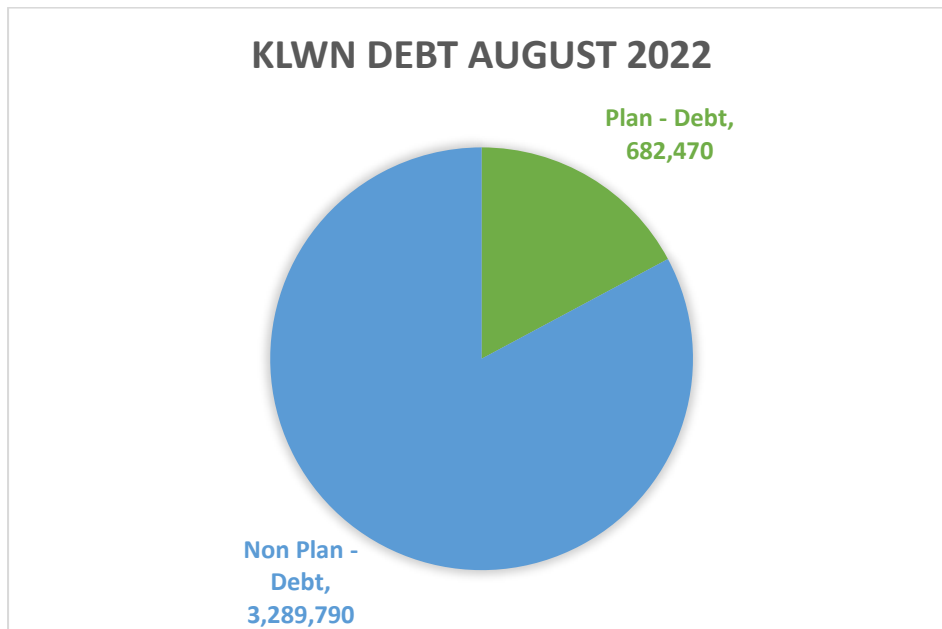
**Collection Fund Adjustment Reserve** – this reserve holds the accounting adjustments necessary for the Council's NNDR Safety Net and Levy payments.

**Project Reserves** – to be used for implementation costs on future projects.

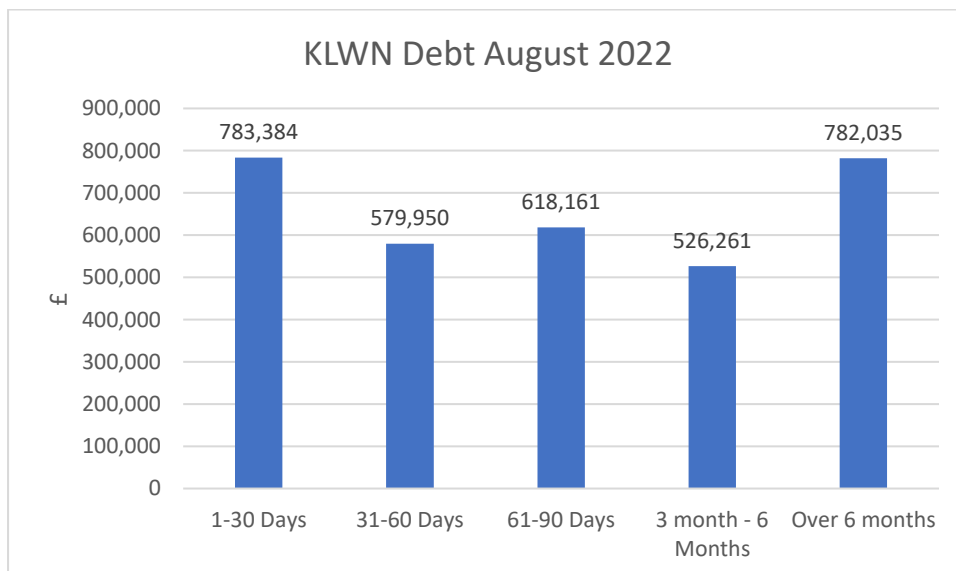
**Other** – other varying uncertain risk for which funding has been set-a-side.

## Appendix D – Age Debt Analysis – August 2022

As of 31 August 2022, the council had £3,972,260 of debt which is broken down below showing the value of plans in place to repay. “Plan” debt is arrears where there is an agreed instalment payment plan for recovery and “non-plan” debt is where debt is payable under the normal collection process.

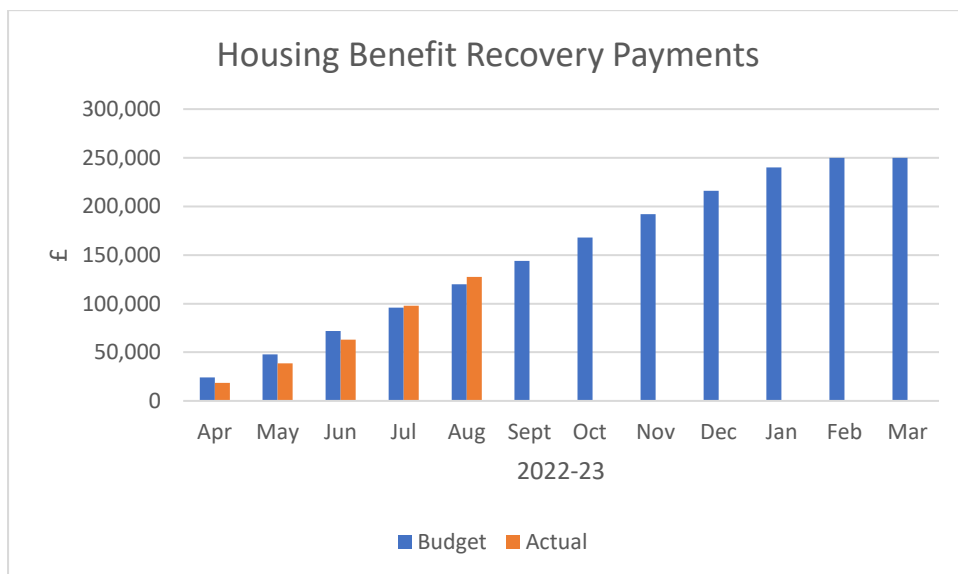


See graph below showing the age analysis of the non-plan debt of £3,289,790.



Debt recovery activity will be kept under heightened review to ensure resources are focussed on reducing debt levels and further comparators for debt recovery action will be added to future Monitoring Reports.

In relation to Housing benefits overpayment recovery the target as of 31 August 2022 is £120,000 and £127,571 has been raised in invoices. See table below showing monthly against budget for 2022/23.



# **FORWARD DECISIONS LIST**

<b>Date of meeting</b>	<b>Report title</b>	<b>Key or Non Key Decision</b>	<b>Decision Maker</b>	<b>Cabinet Member and Lead Officer</b>	<b>List of Background Papers</b>	<b>Public or Private Meeting</b>
15 November 2022						
	Staff Pay Award	Key	Council	Leader Exec Dir – D Gates		Public
	Review of Governance of Council Companies	Non	Cabinet	Leader Chief Executive		Public
	Balloon and Lantern report	Non	Cabinet	Corporate Services and Environment Asst Director – M Chisholm		Public
221	Corporate Business Plan Monitoring	Non	Cabinet	Leader Asst to C Ex		Public
	Options for Kaset Skate Park at Lynnsport	Non	Council	Community Asst to C Ex		Private Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Waste Contract – Reinvesting Performance Deductions	Non	Cabinet	Environment and Climate Change Asst Director G Hall		Private Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)

	NEWS Partnership	Non	Cabinet	Environment and Climate Change Asst Director G Hall		Part Public & Part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
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Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
17 January 2023						
	West Winch Framework Masterplan	Key	Council	Development and Regeneration Asst Dir – S Ashworth		Public
222	Council Tax Support Scheme 2023/24 (including NoM 11/22)	Key	Council	Finance Asst Dir – M Drewery		Public
	Southgates Regeneration Area Development Brief and Next Steps	Key	Council	Development and Regeneration Asst Dir – D Hall		Public
	Levelling up Government response and actions	Key	Council	Business Culture & Heritage Asst Director – D Hall		Public
	Southend Road Hunstanton	Key	Cabinet	Development and Regeneration Asst Dir – D Ousby		Part Public part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)

	Lynnsport One	Key	Council	Regeneration & Development Asst Dir Companies & Housing Delivery – D Ousby		Part Public part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Asset Management – Land and Property	Key	Cabinet	Property Asst Dir Property and Projects		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
228	Changes to Council Tax Charges for Long Term Empty Properties and Second Homes for 2024/2025	Key	Council	Finance Asst Dir – M Drewery		Public
	Recommendations from the Urban Wildlife Informal Working Group	Non	Cabinet	Environment and Climate Change Asst Dir – S Ashworth	Informal Working Group Agendas and Minutes	Public
	Freedom of the Borough - amendments	Non	Council	Leader Chief Executive		Public
	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director - D Hall		Public
	Shared Prosperity Fund Update	Non	Cabinet	Business, Culture and Heritage Assistant Director D Hall		Public
	Meeting Arrangements	Non	Cabinet	Chief Executive – L Gore Leader		Public
	Contract for credit card transaction services	Key	Cabinet	Finance Asst Dir – Resources		Private Contains exempt



						Information under para 3 – information relating to the business affairs of any person (including the authority)
	LUF – Oasis – Update and Site Approval	Key	Cabinet	Leader Asst Dir – D Ousby		Part Public and part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	West Winch Collaboration Agreement	Non	Cabinet	Development and Regeneration Exec Dir – G Hall		Public
224	Guildhall CIO Governing Document	Non	Cabinet	Business Culture & Heritage Asst Dir - D Hall		Public
	Hunstanton Bus Station report	Key	Cabinet	Development & Regeneration Asst Dir – D Ousby		Part Public part Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Parkway	Key	Council	Development & Regeneration Asst Dir – D Ousby		Part Public Private - Contains exempt Information under para 3 – information relating to the business affairs of

						any person (including the authority)
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Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
7 February 2023						
	Budget	Key	Council	Finance Asst Director – M Drewery		Public
	Capital Programme	Key	Council	Finance Asst Director – M Drewery		Public

2  
3  
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Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
7 March 2023						

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
18 April 2023						

Items to be scheduled

	Notice of Motion 7-21 – Councillor Kemp – Equalities	Non	Council	Leader Asst Dir B Box		Public
	Procurement Strategy	Non	Cabinet	Finance Asst Dir – D Ousby		Public
	Review of Planning Scheme of Delegation (summer 23)	Non	Council	Development and Regeneration Asst Dir – S Ashworth		Public

## AUDIT COMMITTEE WORK PROGRAMME 2022/2023

**Note: Statement of Accounts 2019/2020, 2020/2021, 2021/2022: Please note that the current dates scheduled on the work programme are dependent on external factors (the external auditors) and it is therefore possible these dates could slip.**

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
20 June 2022	Appointment of Vice Chair for the Municipal Year 2022/2023			To appoint a Vice Chair for the Municipal Year 2022/2023.
20 June 2022	Corporate Risk Register	Monitoring	G Greaves	To note the report on changes to the risk register since the last report
20 June 2022	Fraud & Error Full Year Progress Report covering the year 2021/22	Annual	J Hay	To receive the full year progress report covering the previous financial year.
20 June 2022	Internal Audit Annual Report and Opinion covering the previous financial year	Annual	F Haywood	To receive the annual report and opinion covering the previous financial year.
20 June 2022	Internal Audit Full Year Progress Report covering the previous financial year	Annual	F Haywood	To receive the full year progress report covering the previous financial year.
20 June 2022	Update on Audit Progress & Timetable	Update	M Drewery	To note progress on audit of financial statements
20 June 2022	Budget Monitoring – February 2022 Report	Monitoring Quarterly	C Holland	To note the latest financial position since the last report

DATE MEETING	OF	TITLE	TYPE REPORT	OF	LEAD OFFICER	OBJECTIVES AND OUTCOMES	DESIRED
20 June 2022		Cabinet Forward Decisions List				To identify any items to be considered by the Audit Committee.	
20 June 2022		Work Programme 2022/2023				To identify any items for the work programme.	
13 July 2022		MEETING CANCELLED					
7 September 2022		Revenue Outturn Report 2021/2022	Annual		C Holland	To receive the Revenue Outturn Report from the previous year	
7 September 2022		Capital Outturn Report 2021/2022	Annual		C Holland	To receive the Capital Outturn Report from the previous year.	
7 September 2022		Treasury Outturn Report 2021/2022	Annual		C Holland		
7 September 2022		Budget Monitoring Report June 2022/2023			C Holland		
7 September 2022		Update on Audit Progress & Timetable	Update		M Drewery	To receive a verbal update	
7 September 2022		Cabinet Forward Decisions List				To identify any items to be considered by the Audit Committee.	
7 September 2022		Work Programme 2022/2023				To identify any items for the work programme.	

**Informal Session prior to 26 September Formal Meeting**

Audit Committee Self- Assessment Questionnaire

**Training Session on Draft Statement of Accounts for 2020/2021 – 20 September pm**

26 September 2022	DRAFT Statement of Accounts for 2020/2021	Annual	C Holland	Estimated date for Committee to receive DRAFT financial statements for 2020/2021 - <b>TRAINING SESSION TO BE CONFIRMED 20 SEPTEMBER 2022 PM</b>
26 September 2022	DRAFT Annual Governance Statement 2020/2021	Annual	G Greaves	To receive and note the draft AGS for the 2020/2021 year
26 September 2022	Business Continuity Annual Update	Annual	D Robson	
26 September 2022	Audit Committee Terms of Reference		F Haywood	Review Audit Committee Terms of Reference for approval
26 September 2022	Risk Management Maturity Assessment		F Haywood	To provide the results of the Internal Audit Risk Management Maturity Assessment with actions and a progress report.
26 September 2022	Update on Audit Progress & Timetable	Update	C Holland	To note progress on audit of financial statements
26 September 2022	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
26 September 2022	Work Programme 2022/2023			To identify any items for the work programme.

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
21 November 2022	External Audit Plan for 2021/2022		External Auditors	TBC
21 November 2022	DRAFT Annual Governance Statement 2021/2022	Annual	G Greaves	To receive and note the draft AGS for the 2021/2022 year
21 November 2022	Rationalised Corporate Risk Register		G Greaves	
21 November 2022	Internal Audit Half Year Progress Report	Mid-Year	F Haywood	To receive the mid-year progress report.
21 November 2022	Fraud & Corruption Half Year Progress Report	Annual	J Hay	To receive the mid-year progress report
21 November 2022	BCKLWN Internal Audit Follow up of Recommendations Report	Follow Up	F Haywood	
21 November 2022	Budget Monitoring Update (Q6)		C Holland	To note the latest financial position since the last report
21 November 2022	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
21 November 2022	Work Programme 2022/2023			To identify any items for the work programme.
DATE OF	TITLE	TYPE OF	LEAD	OBJECTIVES AND DESIRED

MEETING		REPORT	OFFICER	OUTCOMES
20 February 2023	Corporate Risk Register	Monitoring	G Greaves	To note the report on changes to the risk register since the last report
20 February 2023	Annual Certification Report - Housing Benefit Subsidy Claim for previous financial year	Annual	J Stanton	To receive the annual report covering the previous financial year
20 February 2023	Audit Committee Independent Person		F Haywood	
20 February 2023	Audit Committee Self-Assessment Questionnaire/ Outcomes		F Haywood	
20 February 2022	Mid-Year Treasury Report 2022/2023	Mid-Year	C Holland	To receive the mid-year report
20 February 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
20 February 2023	Work Programme 2022/2023			To identify any items for the work programme.



DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
13 March 2023	Strategic External Audit Plan for following financial year	Annual	External Auditors	External Auditors to present strategic external audit plan
13 March 2023	Strategic Internal Audit Plan for following financial year	Annual	F Haywood	To receive strategic internal audit plan for following financial year
13 March 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
13 March 2023	Work Programme 2022/2023			
17 April 2023	External Auditors Report (ISA260) for 2019/20	Annual	External Auditors	TBC
17 April 2023	Statement of Accounts for 2019/20	Annual	C Holland	TBC
17 April 2023	Annual Governance Statement 2019/20	Annual	G Greaves	TBC
17 April 2023	External Auditors Report (ISA260) for 2019/20	Annual	External Auditors	TBC
17 April 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
17 April 2023	Work Programme 2022/2023			To identify any items for the work programme.

### **Potential Future Training Sessions**

Audit Committee – Potential changes for the new Administration 2023 and process improvement  
Annual Governance Statement 2022  
Reserves