

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



Audit Committee

Agenda

Monday, 7th August, 2023
at 4.30 pm

in the

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

Available to view on:

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

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



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27 July 2023

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Monday, 7th August, 2023 at 4.30 pm** in the **Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. **Apologies**
2. **Appointment of Vice-Chair for the Municipal Year 2023/2024**
3. **Minutes** (Pages 5 - 15)
To approve the minutes from the Audit Committee held on 17 April 2023.
4. **Declarations of Interest** (Page 16)

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

5. 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.

6. 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.

7. Chain's Correspondence (if any)

8. Corporate Risk Register Update (May 2023) (Pages 17 - 40)

9. Year End Internal Audit Opinion (Pages 41 - 56)

10. Internal Audit Progress Report (Pages 57 - 96)

11. Internal Audit Follow Up Recommendations Report (Pages 97 - 110)

12. Annual Fraud Progress Update 2022/2023 (Pages 111 - 126)

13. Meeting Start Times (Page 127)

To discuss the start time for future Audit Committee meetings.

14. Cabinet Forward Decisions List (Pages 128 - 132)

15. Committee Work Programme (Pages 133 - 138)

To note the Committee's Work Programme.

16. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 18 September 2023 in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn. Time to be confirmed.

17. Exclusion of Press and Public

To consider passing the following resolution:

"That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act".

18. **Annual Certification Report - Housing Benefit Subsidy Claim for 2020/2021** (Pages 139 - 159)

To:

Audit Committee: Councillor R Coates, S Dark, T de Winton, P Devulapalli, S Everett, B Jones, J Rust, A Ryves (Chair) and D Sayers

Portfolio Holders:

Councillor C Morley, Finance

Councillor T Parish, Leader

Officers:

Alexa Baker, Monitoring Officer

Ged Greaves, Senior Corporate Governance and Risk Officer/Climate Change Manager

Michelle Drewery, Assistant Director Resources and Management Team Representative

Faye Haywood, Internal Audit Manager

Jamie Hay, Senior Internal Auditor

Jo Stanton, Revenues and Benefits Manager

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 17th April, 2023 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillor I Devereux (Chair)
Councillors Mrs J Collingham, P Gidney, J Lowe, C Manning, C Morley and
J Rust

Portfolio Holders

Councillor Mrs A Dickinson, Finance

Officers:

Michelle Drewery, Assistant Director – Resources/Management Team
Representative

Jamie Hay, Senior Internal Auditor

Carl Holland, Financial Services Manager

Wendy Vincent, Democratic Services Officer

A79 **APOLOGIES**

Apologies for absence were received from Councillor A Ryves and F Haywood.

A80 **MINUTES**

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The minutes of the meeting held on 20 February 2023 were agreed as a correct record and signed by the Chair, subject to the following amendments:

A70: page 802, penultimate paragraph be amended to read:

Councillor Gidney added that it was a complex document and that in his view he would like to **concentrate** on

A71: page 804, paragraph 6 be amended to read:

In response to questions from Councillor Moriarty on experience from other councils, the Internal Audit Manager explained that she was aware that other Councils had **moved**

A81 DECLARATIONS OF INTEREST

There were no declarations of interest.

A82 URGENT BUSINESS UNDER STANDING ORDER 7

There was no urgent business.

A83 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

There were no Members present under Standing Order 34.

A84 CHAIR'S CORRESPONDENCE (IF ANY)

There was no Chair's correspondence.

A85 STRATEGIC INTERNAL AUDIT PLAN FOR THE FINANCIAL YEAR 2023/2024

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The Senior Internal Auditor presented the report which provided the proposed Strategic Internal Audit Plan for 2023/24 to 2026/27, the Annual Internal Audit Plan for 2023/24 and the Internal Audit Charter. The Committee was informed that the plan would provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management.

The Committee was advised that the Charter and Internal Audit Strategy outlined how the internal audit function was set up and formal documents. The Senior Internal Auditor explained that this was particularly wordy and invited Members to focus on the areas set out below:

- Strategic Internal Audit Plan
- Annual Audit Plan 2023/24

The Senior Internal Auditor informed the Committee that section 1.4 of the report outlined the areas that had been considered for the development of the plan. The Internal Audit Team produced the strategic audit plan based upon all those details which was being presented to the Committee today.

The Committee was informed that to produce the plans, the Internal Audit Team had set out all the auditable areas and reviewed those against previous audits and reviews and then discussed these holding one-to-one sessions with all of the responsible officers across the organisation for these areas. The risks had been identified against

each area. The Internal Audit Team had good conversations with each of the Assistant Directors/responsible officers and had linked back the plan to the Corporate Risk Register.

It was noted that the Internal Audit Team had set 323 audit days over a total of 22 audit reviews for 2023/24. The Senior Internal Auditor advised that 50 days of this time related to audit management work undertaken by Eastern Internal Audit Services in accordance with the Council's agreement in place with them. This covered areas such as quality assurance, follow up, advice and guidance, Audit Committee papers and attendance.

Audit days had been calculated considering other work commitments such as Anti-Fraud and Anti-Corruption related work, training and development and other non-chargeable time (including Project related work – such as assisting with the Energy Rebate Schemes, and recently assisting with the due diligence and fraud risk controls around UKSPF and REPF schemes, other areas will be looked at during the year such as testing of Disabled Facilities Grants for the purposes of the Better Care Fund annual declaration.

Internal Audit Charter

This essentially had not had any changes made to it since last year, as there had been no changes to how the internal audit function was set up.

Strategic Audit Plan (this should be Appendix 3 not 2)

Outlined the associated risks and justification for each audit area and plotted the audit days allocated for each area and the year they were currently assigned to them.

Annual Internal Audit Plan 23/24 (Appendix 4)

Provided concise details of each planned audit for 2023/24 including the quarter and number of days assigned for each audit.

The Committee was invited to approve the plan, the Internal Audit Team would then focus on its delivery. The Senior Internal Auditor commented that any questions or comments on the plan would be welcomed. Members were also asked to identify if there was anything not on the plan that had been expected to see.

In response to a question from the Chair on the Internal Audit Charter 2023/2024, the Senior Internal Auditor explained that there were no major amendments, but a brush touch approach had been applied and drew the Committee's attention to the table at 2.1 and explained that an amendment had been made in previous versions the 0.7 FTE Auditor.

The Senior Internal Auditor responded to questions in relation to the consideration of appointing an independent person(s) in the future. Councillor Morley requested that this action point be followed through to the work programme for the new Audit Committee post May 2023 Election.

In response to questions from Councillor Morley, the Senior Internal Auditor provided an overview on the number of staff within the Internal Audit Team, together with an explanation as to how the number of audit days were calculated for the delivery of the Internal Audit Plan 2023/2024 and added that a contingency had been built in.

Following further questions from the Chair on the planned number of audit days, the Senior Internal Auditor explained that 50 hours had been allocated for management provided by Eastern Internal Audit Services.

The Senior Internal Auditor provided clarification on the contract arrangement with Eastern Internal Audit Services.

Councillor Gidney commented on the technical aspects of the presentation and added that an A3 paper copy would be preferable and also went on to say that it was difficult to cross reference items in the current format.

Councillor Morley concurred with the comments made by Councillor Gidney and asked that an action point be recorded to look at ideas on how to present the information in a more understandable format and to focus on the key issues and high risk areas.

Councillor Rust expressed concern on the number of audit days scheduled for the high risk areas, that some items had been deferred and that there was a lack of consistent language used, for example, definition of substantive. In response, the Senior Internal Auditor provided an explanation of the following current assurance options as set out below and undertook to circulate a copy to the Committee:

- Substantial Assurance.
- Reasonable Assurance.
- Limited Assurance.
- No Assurance.

Following further questions and comments from Councillor Rust, the Senior Internal Auditor advised that details of last year's audits which included payroll, pay award and Alive West Norfolk, together with recommendations would be presented to the Audit Committee at the June 2023 meeting. The Committee's attention was drawn to Appendix 2 – Strategic Internal Audit Plan which set out the details of the audit area, last review and assurance, associated risk, number of days allocated within the next 4 year plan.

The Chair, Councillor Devereux explained the difference between the levels of assurance and the level of risk and informed Members they were two separate areas.

Councillor Morley commented on the following areas:

- Contract Management 2022/2023 – limited risk.
- Full Capital Programme and project management framework – identify high risk areas, procurement, etc.
- Proposals in relation to project management recommended by the Technical Adviser yet to be embedded.
- Importance of training to be scheduled for the Audit Committee.

The Chair, Councillor Devereux commented that training would be included in the Audit Committee Work Programme 2023/2024,

In response to the comments made by Councillor Morley, the Senior Internal Auditor explained that a recent audit had been undertaken on the Towns Fund, procurement, economic growth and a follow up audit would be scheduled for the project management framework.

Following comments made by Councillor Gidney on large projects and some projects being delivered over budget, the Assistant Director – Resources explained that the Council regularly reviews how the resources are allocated to projects and in some cases it was necessary to bring in external support when the Council did not have the relevant skills to deliver a project. The Committee was informed that the Council now had a Project Accountant within the Finance Team who worked with project officers across the Council. However this was a learning process and the project management processes proposed by the Technical Adviser would be implemented and taken forward to ensure there were the relevant control and due diligence measures in place.

Councillor Morley reference to a Cabinet report of 16 November 2021 relating to the climate change and an annual report being produced and the current position. The Chair, Councillor Devereux explained that policies, process, etc were being developed and provided an overview of the role of the Audit Committee. The Chair added in his personal view that the correct place for climate change/sustainability was the Corporate Performance Panel and potentially Cabinet to look at how it operated and performed.

The Assistant Director, Resources concurred with the comments made by the Chair, Councillor Devereux and explained that the role of the Audit Committee was to seek assurance that the correct controls were in place. Members were advised that if any gaps were identified these could be considered to be included in the audit plan. The Audit Plan now being presented to the Committee outlined the Internal Audit Plan for April 2023 to March 2024 and for the forthcoming 4 years. In conclusion, the Assistant Director, Resources explained that over the 4

year period there would be a review of audit priorities where consideration of any recommendations against priorities could be undertaken and built into the audit plan using contingency days if needed.

Councillor Rust commented that procurement and contract management had previously received a limited assurance but had not been scheduled until 2024/2025 and asked if this would be re-looked at and brought forward. In response, the Assistant Director explained that the Committee had not seen the results of some audits but was happy to discuss the concerns raised with the Internal Audit Team.

The Chair, Councillor Devereux reminded the Committee that this was an evolving process and that reports were considered by Management Team and actions points agreed. However, if a service area had rejected the findings this would be a concern for the Audit Committee and appropriate action would be taken with the Chief Executive and appropriate officer. It was noted that the audit results report would be presented to the Committee in June 2023.

The Committee approved the recommendations set out below subject to any amendments required to be reported back to the Audit Committee.

Councillor Morley added that the comments/concerns, work to be taken forward identified by the current committee should be reported to the new Audit Committee following the May 2023 Election.

RESOLVED: The Audit Committee approved the following:

- a) Internal Audit Charter 2023/24.
- b) The Internal Audit Strategy 2023/24.
- c) The Strategic Plan 2023/24 to 2026/27.
- d) For Audit Committee to consider each audit area for the year ahead and approve the plan of work for 2023/24.

A86

UPDATE ON EXTERNAL AUDIT

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The Assistant Director, Resources presented the report which provided an update on the External Audit of the Borough Council's Statement of Accounts and related activity.

Members were advised that the audit of the 2019/2020 accounts had still yet to be undertaken. It was noted that as at 31 January 2023 the National Audit Office had advised that there were 45 audits from

2019/2020 outstanding. The Assistant Director explained that the External Auditors were scheduled to attend the King's Court offices week commencing 24 April 2023.

The Committee's attention was drawn to the following sections of the report:

- Section 2: The Accounts and Audit (Amendment) Regulations 2021.
- Section 3: Statement of Accounts 2019/20 and Subsequent Years Update.
- Section 4: Improvement Actions and Review:
- Section 5: Financial Implications.

The Committee was advised that the Council was undertaking preparation work for the External Auditors to complete the outstanding audits. The Assistant Director explained that there were no outstanding queries for the Borough Council to answer.

The Assistant Director, Resources outlined the concerns raised by the Council and explained that the Council's three statutory officers (Chief Executive, Monitoring Officer and Section 151 Officer) had written to Ernst Young highlighting the authority's concerns and requesting a timetable and allocation of resources for all the outstanding audits.

The Committee was informed that officers were still waiting for an update from Ernst Young on the fees for work undertaken to date on the 2019/2020 audit. So far, only the scale fee had been paid.

In response to a question from Councillor Morley on additional funding being available to external auditors, the Assistant Director – Resources explained that a grant had been given to all local authorities to improve the audit regime, the Council had received £20,000 for 2021/2022 but the Council are already contributing to fees in excess of the £39,000 scale fee where currently fees are estimated around £100,000 but the Council had not been notified as yet of any changes by Ernst Young that will make a difference. Reference was made to the letter the Council had received from DLUHC but was not sure if the auditors had received one.

Councillor Rust referred to the Serco contract and a condition that a fine could be imposed if the service was not delivered and asked if this could be applied to Ernst Young. In response, the Assistant Director, Resources explained that this was not just an issue with Ernst Young but was a national issue. It was also explained that the Council had opted into the PSAA tender exercise to appoint auditors and that Ernst Young had been allocated as the Council's auditors for the next term. The contract is with PSAA and the auditors and not with the Council.

The Chair, Councillor Devereux explained that he had raised the issues with regard to the delayed audits with CIPFA at the East of England Audit Chairs Forum at County Hall in Norwich on 2 August 2022.

Councillor Morley commented that only one audit had been signed off in his four year term as a Councillor.

In response to a question from Councillor Collingham, the Assistant Director provided an overview of the process for local authorities to register an interest for PSAA in order to appoint its auditors and achieve economies of scale.

RESOLVED: The Audit Committee noted the update.

A87

PERIOD 10 FINANCE MONITORING REPORT

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

It was highlighted that the Council was currently estimating a contribution to the General Fund Reserves of £830,754, a favourable movement of £223,764 against a budgeted transfer of £526,990 increasing the estimated balance as at 31 March 2023 to £9,734,514.

The Capital Programme 2021/2026 was updated at Council on 23 February 2022. The current spend is £18,897,755 against a revised budget of £33,416,370. Major Projects comprises of 59% of the revised budget for the Capital Programme. The Council's Member Major Projects Board held meetings throughout the year to monitor and receive updates for these projects. Officers of the Council were reviewing the impact on the timing and funding of programme reflecting specifically recovery from the pandemic and inflation.

The budgeted turnover savings for 2022/023 were (£550,000). Following the decision of the Council on 1 December 2022 to finalise its pay award to its employees, an estimate of its impact on employee costs had been included in the report. As at the 27 January 2023 the Council had 63 vacant posts of which 28 were in active recruitment phases. Of those note in active recruitment phases at the time, there were 35 in total, consisting of 3 covered by agency workers/contractors, 32 on hold pending further instruction from the service. The table at 2.3 showed those costs and savings. The calculation was based on an estimate for the impact of the cost of living pay award, assumed that the current level of vacant posts would remain similar for the remainder of the financial year and estimates the spend on other costs to the end of the year.

The Financial Services Manager presented the Budget Monitoring Report – January 2023 and highlighted the following sections of the report:

- Summary.
- Revenue Budget 2022/2023 – Budget Summary, Turnover Savings, Opportunities, Risks.
- Capital – Budget and Spend 2022/23, Notes to Capital Budget Revisions and Movement table.
- Reserves – Budget Revisions and Movements: Ring Fence Reserves, Service Delivery.
- Age Debt Analysis.
- Council Tax and Business Rates.
- Treasury Management 2022/23 – Prudential Indicators, Loans, Investments.
- Conclusion.
- Appendix A – Budget Monitoring Variances October 2022.
- Appendix B – Capital Programme 2021/2026.
- Appendix C – Limits and Purposes for Earmarked Reserves.
- Appendix D – Age Debt Analysis – Period 7.

The Assistant Director, Resources responded to questions from Councillor Collingham in relation to turnover savings, recruitment and agency staff fees.

In response to questions from Councillor Morley on number of FTEs and impact on the level of service delivery, the Assistant Director provided an overview on the challenges facing recruitment to posts and the temporary use of interim or agency staff but highlighted that any impact to service delivery was reflected in performance reports.

Following questions from Councillor Rust on turnover savings, holding positions vacant and gap between an employee leaving, recruitment process and gap before new officer appointed, cost of interim/agency staff, the Assistant Director outlined the period of time from when an employee resigned, recruitment process, etc to appoint a successful candidate. The Committee was informed that a different approach was adopted when specific skills were required it was necessary to obtain the external expertise of a consultant, interim post or agency staff and the daily salary rates could vary from £200 to £1,000 depending on the qualifications or skills required. The Assistant Director highlighted that a contingency had been built into the budget to provide support to teams and alleviate pressures/stress levels for officers.

The Assistant Director, Resources responded to questions and comments from Councillor Morley on the estimated and actual spend/ringfenced reserves to date on the Capital Programme. The Assistant Director, Resources explained that a breakdown on how the capital programme was resources was provided as part of the budget

setting consultations following questions raised at one of the panels and invited Councillor Morley to discuss the issues raised outside of the meeting.

In response to an observation from Councillor Morley on Councillors receiving regular Monthly Budget Monitoring Reports, the Assistant Director, Resources provided an overview as to why the Finance Team was not yet in a position to issue the Budget Monitoring Reports each month but explained that officers were constantly aiming to improve.

Councillor Morley further commented on the format of the report and added that in his opinion some service areas should be split into sections and gave an example of Environment and Planning.

Councillor Collingham highlighted the importance of the Committee receiving training to enable Councillors to gain a better understanding during the decision making process.

The Financial Services Manager provided clarification on Note 8 to Capital Programme.

The Chair, Councillor Devereux commented that the presentation on the Council's reserves had improved and collated in one table and was a significant step forward and would be a good utility in months and years to follow.

At the invitation of the Chair, Councillor Mrs Dickinson, Finance Portfolio Holder commented that the Budget Monitoring Report had improved since it was first presented to the Audit Committee and commended the Assistant Director, Resources and the Financial Services Manager on the work undertaken to present the report in a much better format but added that there was always room for improvement.

RESOLVED: The Committee noted the Period 10 Budget Monitoring Report.

A88

CABINET FORWARD DECISIONS LIST

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The Committee noted the Cabinet Forward Decision List.

The Chair, Councillor Devereux highlighted the importance of the Committee reading and understanding reports and commented that consideration may be given to the Committee separating into small groups to undertake a "deep dive" and report back findings to assist with the improvement programme to help clarify things for the future.

The Assistant Director, Resources highlighted that there was a recommendation of best practice for a report from the Audit Committee to Cabinet or Council on the work undertaken and that the objective was raising the importance of the work of the Audit Committee to a wider audience. The Assistant Director, Resources advised that this was an item that would be picked up with the Audit Committee post May 2023 Election.

A89 **COMMITTEE WORK PROGRAMME 2023/2024**

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The following items were identified for consideration to be included in the 2023/2024 work programme:

- Consideration of the appointment of Independent Person(s) to the Audit Committee and how to utilise that expertise.
- Internal Audit Plan, Policies, Strategies and Resources to ensure balance was right from a Member perspective to see where the pressures are/ought to be that would inform the improvement opportunities and decision making process.
- Role of the Audit Committee – to focus on whether there was a policy, implementation and findings of audits. Linkage with Corporate Performance Panel, project boards, project management, performance management, etc. Who was responsible for the technical scrutiny of the budget as opposed to the scrutiny of processes.
- Risk management role of the Audit Committee.
- Constitution/Scrutiny – to consider if the Constitution was robust enough to specify the scope, scale and degree of responsibility to enable the Audit Committee to undertake the correct work to the required standards.

A90 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will take place on 21 June 2023 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn.

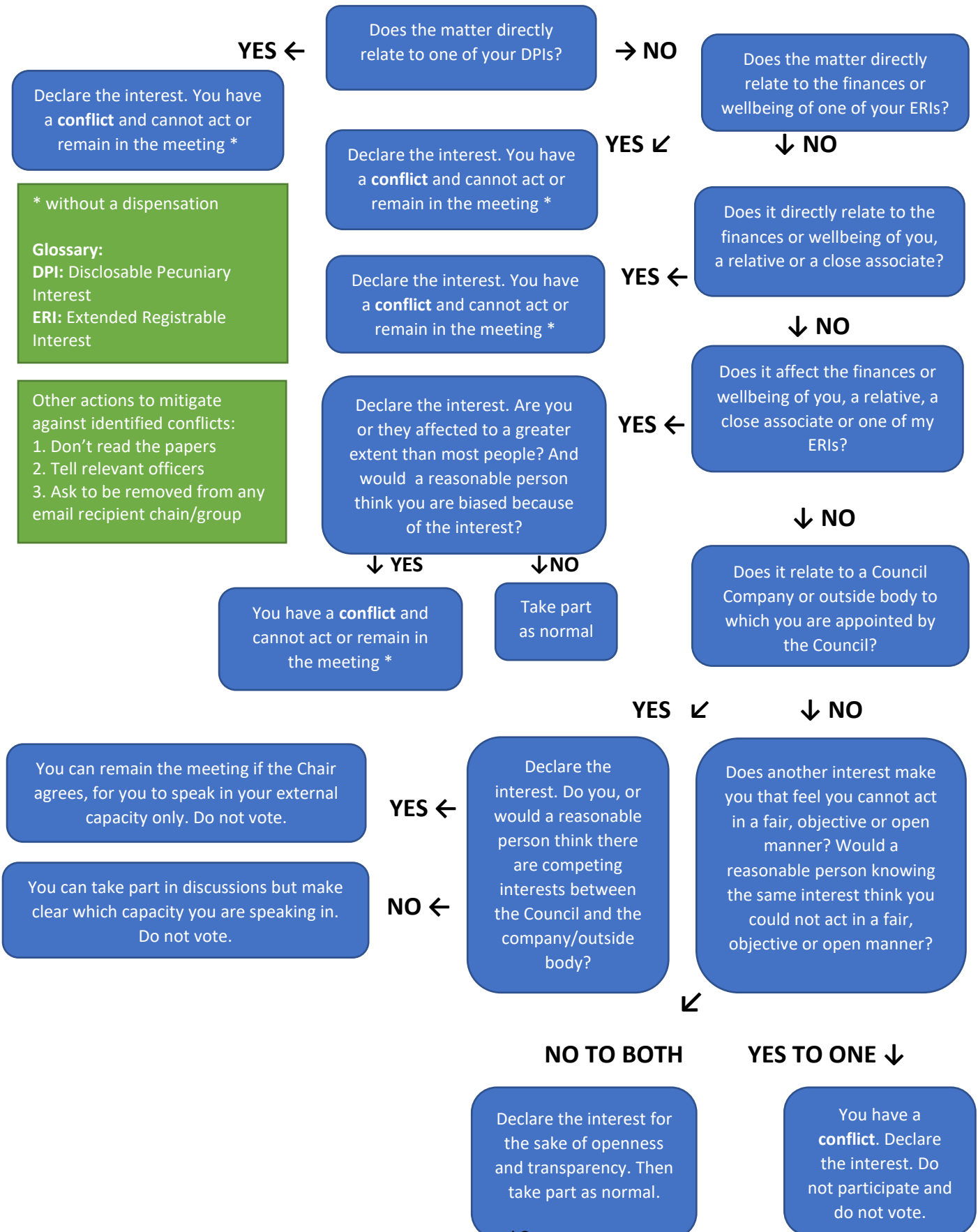
The Chair, Councillor Devereux expressed thanks to all Members of the Audit Committee for their input and officers for their professional advice and guidance during his time as Chair of the Committee.

The meeting closed at 6.32 pm

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



Declare the interest. You have a **conflict** and cannot act or remain in the meeting *

* without a dispensation

Glossary:

DPI: Disclosable Pecuniary Interest

ERI: Extended Registrable Interest

Other actions to mitigate against identified conflicts:

1. Don't read the papers
2. Tell relevant officers
3. Ask to be removed from any email recipient chain/group

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	7 August 2023		
TITLE:	Corporate Risk Register monitoring report – May 2023		
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 an updated version of the register as at May 2023. It gives details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.
KEY ISSUES:
The risk register was reviewed in May 2023. Following that review, there are no proposals to revise the score for any of the risks. There are no proposals to add or remove risks. The format of the register has been revised in line with the risk maturity assessment and with feedback on the ordering of the columns. The current risk score is now on the right hand side of the register.
OPTIONS CONSIDERED:
Not applicable.
RECOMMENDATIONS:
Members are requested to consider: <ul style="list-style-type: none"> a) the Corporate Risk Register as at May 2023 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. To this end, the committee receives reports on the position of the Corporate Risk Register, with the last one being presented to the committee in December 2022. The latest report is for the period up to end of May 2023.
- 1.3 Under the refreshed policy, the Corporate Risk Register is reviewed by Management Team on a 4-monthly basis. Future reviews will be undertaken in August 2023 and December 2023. Existing entries on the register are considered for changes to the nature of the risk, progress to be reported and any adjustments to the risk scores. Risks that are no longer relevant are proposed for removal and new risks considered in the context of current circumstances are added.
- 1.4 A summary of the changes to the Corporate Risk Register since the last monitoring report are detailed in section 2 below. Details of the 'Very High' risks are given in Appendix 1 together with a list of the 'High' risks.
- 1.5 Each risk on the register is scored in terms of Impact and Likelihood, according to criteria defined within the Corporate Risk Management Strategy. The broad definitions and risk matrix are attached for reference in Appendix 2.
- 1.6 The full Corporate Risk Register, as agreed by Management Team, has been provided to the Audit Committee in hard copy, for reference.
- 1.7 Appendix 3 sets out the corporate risks in score order.
- 1.8 Attached at Appendix 4 is list of risks that have been removed from the register since May 2018.
- 1.9 Appendix 5 is a new summarised version of the risk register developed in response to the committee's requests.

2. Changes to the Corporate Risk Register

- 2.1 There continue to be pressures with inflation, interest rates and the cost of living. T the time of writing the report, the current Bank rate is 5% and inflation is 8.7% compared with a target of 2%.
- 2.2 Some forecasters project interest rates remaining high to control persistent inflation linked with the tightness of labour market conditions and the behaviour of wage growth and services price inflation.
- 2.3 The Local Government Association have highlighted concerns of a national homelessness crisis citing issues such as:
 - Local Housing Allowance rates have been frozen since March 2020 meaning the private sector is becoming less and less feasible for households dependent on housing support.

- number of Section 21 'no fault' evictions increasing.
 - the cost of living continuing to rise.
 - more Ukrainian arrivals presenting as homeless.
 - depleting social housing stock.
 - an unaffordable and overly competitive private rented market.
- 2.4 These impacts have been considered within the corporate risk register and particularly relate to the following risks:
- SR1. Financial sustainability
 - SR3. Facilitating and enabling growth
 - SR4. Community issues
 - SR8. Reputation management
 - SR12. Council owned companies
 - SR14. Cost of living
- 2.5 An overview of the risk management process was included in the Members' induction programme.

3. Conclusion

- 3.1 The Corporate Risk Register continues to be actively monitored by Management Team on a periodic basis.
- 3.2 In this review, there are no proposals to revise risk scores.
- 3.2 There are no proposals to change the focus of risks although this may change in accordance with the new corporate business plan.
- 3.3 There are no proposals to transfer risks to directorate risk registers.
- 3.4 There are no proposed new entries to the risk register.
- 3.5 The register has been updated to reflect additional mitigation measures, actions and commentary on progress.

4 Corporate Priorities

- 4.1 The Corporate Risk Register is aligned with the previous Corporate Business Plan agreed in November 2021. The risk register will need to be reviewed to reflect the new corporate business plan.

5 Policy Implications

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

6 Financial Implications

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

7 Personnel Implications

- 7.1 None.

8 Statutory Considerations

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

9 Equality Opportunity Considerations

- 9.1 None

10 Risk Management Implications

- 10.1 The council has in place a Risk Management Policy and Strategy.
- 10.2 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.

11. Environmental Implications

- 11.1 The risk register includes a number of climate change and environmental risks such as risks 5 - Continuity of service and 10 - Climate change mitigation and adaptation.

12 Recommendations

- 12.1 Members are requested to:
- a) note the change in format of the risk register;
 - b) consider the contents of the risk register;
 - c) confirm agreement with Management Team's assessment of the register.

13.0 Declarations of Interest / Dispensations Granted

- 13.1 None.

Background Papers

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

APPENDIX 1 - Details of the ‘Very High’ risks together with a list of the ‘High’ risks

Risk name: 1 - Financial sustainability

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.

Existing Mitigation and Controls	Planned mitigating actions
<p><u>Cost management and income generation</u></p> <ol style="list-style-type: none"> 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. <p><u>Financial Plan</u></p> <ol style="list-style-type: none"> 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 	<p><u>Cost management and income generation</u></p> <ol style="list-style-type: none"> 1. Cost management plan in development. Will be taken back to Management Team once estimated costs and timescales agreed with ADs. To agree plan for taking forward and implementing. Outline plan to be ready Oct 2023. <p><u>Financial Plan</u></p> <ol style="list-style-type: none"> 2. Approach to budget setting and workshop themes being developed including wider engagement with Management Team and elected members. Outline timetable for this work. 3. Dates to be agreed for Non-domestic rate payer consultation, IDB meetings, member briefings and presentations, staff presentations ahead of Council Feb 2024. <p><u>Pension Fund</u></p> <ol style="list-style-type: none"> 1. Attend relevant briefings and workshops as required to understand announcements on Government funding and policy. <p><u>Business rates</u></p> <ol style="list-style-type: none"> 1. Monitor Government position with business rates retention. Ongoing 2. Provisional local government finance settlement announced Dec 2023 - ongoing monitoring of impact. 3. Monitoring of new legislative programme and announcements. Ongoing. 4. Attendance at relevant seminars and briefings. Ongoing. 5. Consideration of entering Business Rates Pool in 24/25. <p><u>Rapidly rising costs</u></p> <ol style="list-style-type: none"> 1. Review and monitoring of costs and programmes/projects. Ongoing. 2. Seeking external funding for projects e.g. decarbonisation of buildings and vehicle fleet, Funding for Guildhall project. Ongoing. 3. Finalisation of Re:FIT and grant funded decarbonisation projects. Ongoing. 4. Financial Plan to reflect any inflationary increases going forward to be agreed

Existing Mitigation and Controls	Planned mitigating actions
<p>deliver corporate objectives.</p> <p><u>Pension Fund</u></p> <ol style="list-style-type: none"> 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 smooths 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. <p><u>Business rates</u></p> <ol style="list-style-type: none"> 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. <p><u>Rapidly rising costs</u></p> <ol style="list-style-type: none"> 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. 	<p>by Council Feb 24.</p> <ol style="list-style-type: none"> 5. Allow for some earmarked reserves as part of closedown to cover additional costs that have materialised. Ongoing. 6. Ongoing development of staff regarding future supply chain resilience e.g procurement and corporate projects ("grow our own" approach). Ongoing. 7. Further review of earmarked reserves to support funded budget position of year 3 of the financial plan to be completed August 2023. Ongoing.

Existing Mitigation and Controls	Planned mitigating actions
<p>8. Revisit financial plan to account for cost increases.</p> <p>9. Use of some earmarked reserves.</p> <p>10. Ongoing monitoring of issues and advice from Treasury experts.</p> <p>11. Robust contracts.</p> <p>12. Provision of inflation within cost plan estimates for projects e.g. major housing projects. Towns Fund projects.</p> <p>13. Hybrid working policy enables some employees and members to minimise travel costs.</p> <p>14. Advantageous funding agreements with third parties e.g. New Anglia LEP.</p>	
<p>Progress</p>	
<p><u>Cost management and income generation.</u> Budget approved in Feb 2023, focus for the next 6 months is on the income generation and cost management plan.</p> <p><u>Financial Plan</u> Budget approved in Feb 2023, funded budget for years 1, 2 and 3 of the financial plan with a gap in year 4. Volatility with economy due to inflation and interest rates and is closely monitored to understand the impact on the financial plan in later years. Further uncertainty with Government funding and policy related to forthcoming general election. Pay award for 22/23 implemented - need to understand implications of pay award for 23/24 at earliest opportunity.</p> <p><u>Pension Fund</u> Council agreed to one off lump sum payment to secure savings in the financial plan. Annual contributions remain the same in percentage terms and reflected in the financial plan. Position fully documented in the annual Statement of Accounts. Actuary provided indicative figures indicating there should not be any change to contribution rate - looking at implications for upfront lump sum payment as part of financial plan.</p> <p><u>Business rates</u> Continue to be part of the Business Rates pool in 2023/24. Re-valuation implemented from 1 Apr 2023 and Government has thresholds and transitional reliefs to protect small businesses from significant increases. Situation will continue to be closely monitored. Recognise that one small change could have a significant impact upon the financial plan. Continue to take prudent approach in the financial plan.</p> <p><u>Rapidly rising costs</u> Impact across many risks and projects. Interest rate rises have increased investment returns but the opportunity costs of investing in projects has also increased. Since Dec 2021, numerous interest rate increases with forecast of future minor rises prior to plateauing to control inflation. 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.</p>	

Risk name: 3 - Facilitating and enabling growth

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: 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.

Existing Mitigation and Controls	Planned mitigating actions
<p><u>Local employment</u></p> <ol style="list-style-type: none">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.11. Norfolk Devolution Deal.12. UK Shared Prosperity Fund and Rural England Prosperity Fund. <p><u>Empty retail properties/town centre decline</u></p> <ol style="list-style-type: none">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.	<p><u>Local employment</u></p> <ol style="list-style-type: none">1. Local Plan review - employment land (current allocated land is unviable due to need to raise levels). Ongoing.2. Ongoing monitoring of Levelling Up proposals and support to increase the numbers of people to fulfill roles at all skill levels post-Covid/EU Transition. Ongoing.3. Apprenticeships/ training programmes encouraged within major housing contracts and sub-contractors, Mar 22. BCKLWN appointed 1 trainee. Ongoing.4. Explore options for innovation centres, advanced manufacturing centres of excellence, etc through Government funding. Ongoing.5. Shared Prosperity Fund and development of West Norfolk Investment Plan to improve work based skills programme. Implementation ongoing.6. Consideration of Youth and Re-Training Pledge Project and broader role going forward. Ongoing. <p><u>Empty retail properties/town centre decline</u></p> <ol style="list-style-type: none">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. Ongoing.2. Implementing approved business cases for MUCH, Guildhall and Riverfront. Ongoing3. 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. Ongoing.4. Development of the car parking strategy. Ongoing.5. Levelling Up Fund (LUF) submission for replacement of Oasis, Hunstanton. Unsuccessful bid, options under review.6. Round 3 LUF submission in development focused on infrastructure development at Enterprise Zone. Ongoing. <p><u>5 year land supply, housing delivery and housing delivery test</u></p> <ol style="list-style-type: none">1. Supporting the Local Plan review process. Ongoing.

Existing Mitigation and Controls	Planned mitigating actions
<p>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 Active and Clean Connectivity, Public Realm improvements, Guildhall, MUCH and Riverfront.</p> <p><u>5 year land supply, housing delivery and housing delivery test.</u> 1. 5 year plan (subject to delivery of Parkway and Lynnsport 1 developments). 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.</p> <p><u>Housing market</u> 1. West Norfolk Property Limited able to take over any surplus housing stock to rent out until the market picks up, if needed. 2. NORA Phase 4 - 50% of development will be rented properties. 3. A viability review of the market will be carried out before the decision to commence each phase is taken.</p> <p><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.</p> <p><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.</p>	<p><u>Housing market</u> 1. Monitor for potential signs that the increase in prices/labour force issues impacts upon the development sector and contingencies within contract sums. Ongoing. 2. The percentage of PRS delivered on major housing sites will be reviewed in the light of current market conditions. Ongoing. 3. Monitor Help to Buy policy developments. Ongoing.</p> <p><u>Strategic land and property acquisition</u> 1. Consider the council's development role and related pipeline of land for future housing development. Ongoing. 2. To ensure that we maximise our own opportunities for example Boal Quay, and Punny Drain and deliver sites that we already have e.g. Enterprise Zone and development opportunities along the promenade if the Oasis sites releases land. Ongoing. 3. Review the delegated decision (Capital and Local Property Investment Fund Strategy 2017 – 2021, Cabinet 21st January 2017) for property acquisition.</p> <p><u>West Winch/North Runcton Strategic Growth Area</u> 1. Stakeholder engagement. Ongoing. 2. Clarification of resources via Homes England.</p> <p><u>Improvements to heritage buildings</u> 1. Delivery of Guildhall Towns Fund business case. Ongoing. 2. Delivery of Riverfront Towns Fund business case. Ongoing.</p>

Existing Mitigation and Controls	Planned mitigating actions
<p>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.</p> <p><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. 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.</p>	
Progress	
<p><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 and employment levels. Management restructure strengthened focus on regeneration. External funding being progressed via sources such as Towns Fund, Levelling Up and UKSPF. New businesses enquiries being received and a role to open up new allocated employment land in Borough. Pressures upon resilient supply chains continue. Local evidence of high vacancies within some employers. National data indicates more vacancies than labour supply in many sectors. Rising cost of living placing pressures on households with potential consequences for spending in the local economy. Inflation leading to rising business costs coupled with interest rate increases. West Norfolk Investment Plan proposes a package of investments to help drive the economy and related outcomes. Employment rates remain high and the town's strong manufacturing base underpins its status as a centre for sub-regional employment. Annual Visitor Economy Report indicates sustained increase in GVA. Signs of decline of large national multiples and growth in independent businesses.</p> <p>Performance indicators highlight commercial property arrears and challenges faced by some tenants, town centre parking levels have recovered from Covid-19 lows.</p> <p>UKSPF West Norfolk Grant Scheme successful applications to be advised end June 2023. West Norfolk Rural Business Capital Grants open 19 June 2023 and Community Capital Grants open 12 June - 2 Aug 2023. Information events to be held June 2023.</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>Also link to Risk SR9 - Organisational change.</p> <p><u>Empty retail properties/town centre decline</u> National retail statistics indicate reductions in town centre footfall compounded by ongoing economic uncertainty 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.</p> <p><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. National housing delivery figures published in November. Being assessed as part of Local Plan review process. Examination held in Nov 2022 and ongoing.</p> <p><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 external impacts leading 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. Rents have remained high. Low stock of high quality properties. Few new homes or affordable homes available.</p> <p>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. 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. Emerged early in 2022 and has continued. Evidence, locally and nationally, of an exodus of private sector landlords resulting in more pressure upon existing stock and feeding into difficulties for families accessing private rented properties which exacerbates homelessness.</p> <p><u>Strategic land and property acquisition</u> Cabinet has considered reports relating to the acquisition of specific 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</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>prohibit investment for commercial returns.</p> <p><u>West Winch/North Runcton 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 in 2022 and scheduled for 2023. New requirements for Biodiversity Net Gain to be clarified.</p> <p><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 approved Towns Fund business cases and earmarked for significant investment in addition to public realm improvements. This will help mitigate risks regarding heritage assets. Southgates masterplan work progressing and Levelling Up bid approved.</p> <p>Potential for Norfolk Devolution Deal contribution to growth in the borough.</p>	

Risk name: 4 - Community issues

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: 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.

29

Existing Mitigation and Controls	Planned mitigating actions
<p><u>Community relations</u></p> <ol style="list-style-type: none">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.2. External funding bids with partners.3. Agreement with Shelter.4. PREVENT task group and workstreams.5. Prevent awareness training provided to employees. <p><u>Preventing homelessness</u></p> <ol style="list-style-type: none">1. Staff capacity.2. ICT development to support case management.3. Support commissioned from voluntary and community sectors.4. Partnership and network arrangements.5. Communications support.6. Accommodation options improved by Broad Street.7. Reduction in working age population.8. Strategic Housing Market Assessment identifies increasing prevalence of families sharing accommodation with families. <p><u>Conflicting aims (with partners)</u></p> <ol style="list-style-type: none">1. Clarify and agree with partners what the common targets are and how achievement of them will be recognised.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.3. Ensure active participation on relevant Boards/ Groups.4. Norfolk Resilience Forum response and recovery work.5. King's Lynn Town Deal Board and Local Assurance Framework.	<p><u>Community relations</u></p> <ol style="list-style-type: none">1. Housing availability for vulnerable residents. Ongoing. <p><u>Preventing homelessness</u></p> <ol style="list-style-type: none">1. Asylum seekers - potential placings under review, Mar 20222. Consider impact of proposed legislation on second homes (Review impact of second homes measures and exemptions within the Levelling Up Bill).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.4. Refresh housing needs assessment, Spring 235. Identification of additional temporary accommodation with Freebridge.6. Measures with Freebridge to support quick void turn around.7. Reid Way - 7 new units to be developed.8. Financial help to access private rented sector.9. Winter preparedness plans. <p><u>Conflicting aims (with partners)</u></p> <ol style="list-style-type: none">1. Ensure comms focusing on neutral and factual stance and related to implementation of Govt policy. Ongoing2. Work with Hanseatic Union to implement and provide measures to support refugees and support in a neutral way. Ongoing3. Internal comms to be mindful of potential for tensions should the Council be perceived to be biased. Ongoing.4. Consider contingency plan for potential loss of Fenland care and repair contract. Dec 2022.

Existing Mitigation and Controls	Planned mitigating actions
<p>6. Hunstanton Advisory Group established. 7. King's Lynn Town Deal Skills Forum. 8. Shared Prosperity Fund stakeholder groups established. 9. Norfolk Climate Change Partnership. 10. Health and Wellbeing Partnership established and terms of reference agreed.</p> <p><u>Covid-19</u> 1. Business continuity arrangements including critical services and ""Loss of staff"" threat analysis and interventions such as enhanced cleaning regimes, staff rotas, building air-flow, etc. 2. Emergency planning liaison with Norfolk Resilience Forum and structures. 3. Insurance 4. ICT network and capability to support working arrangements. 5. Digital and telephony access to services to minimise face to face interactions. 6. Lobbying for government support. 7. Prioritisation of services and response.</p>	<p><u>Covid-19</u> 1. Ongoing Covid-19 safe measures in workplace. Ongoing. 2. Revised working arrangements framework agreed in May 2023 with implementation from July 2023. Ongoing.</p>
Progress	
<p><u>Community relations</u> 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. Our agreement with Shelter has allowed for a more effective response to issues of harassment and illegal eviction. Multi-agency responses to Ukraine and cost of living with support for vulnerable households. ASB represented on PREVENT task group and workstream. Engagement with Integrated Care System to encourage prevention and wider involvement of health. 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> Current issues: 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. 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. 3. Impact of refugee accommodation compounding and already stretched private rented sector market, increasing pressure on communities. 4. Cost of living pressures increasing likelihood of loss of tenancies and increase in homelessness applications.</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>5. Slow void turnaround time of social stock and low levels of existing social stock. 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> Engagement with Norfolk and Waveney Integrated Care System / Integrated Care Partnership. Collaborative work with members of Norfolk Climate Change Partnership and working on a Norfolk-wide project. Ongoing dialogue with Norfolk County Council regarding devolution and Government funding streams e.g. Towns Fund, Levelling Up, Shared Prosperity Fund. 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 Group. Development work with the Health and Wellbeing Partnership.</p> <p><u>Covid-19</u> National response scaled down. Working arrangements framework to be implemented July 2023. Ventilation practices continue. Should the council need to respond again in the future relevant structures and responses would remain in place or be stood up.</p>	

31

Risk name: 9 - Organisational change

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: 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.

Existing Mitigation and Controls	Planned mitigating actions
<p><u>Capacity</u> 1. Use of agency and interim staff. 2. Improve staff resilience/ cross training. 3. Service and management restructures and related recruitment and development. 4. Absence management. 5. Use of apprentices. 6. Use of external support for Towns Fund business case development, subsidy control and independent appraisal. 7. Review of Planning resource and additional posts. 8. New Executive Director post. 9. Restarted management development programme. 10. Progression scheme for a range of specialist roles. 11. Apprenticeship opportunities to develop resources.</p>	<p><u>Capacity</u> 1. Review recruitment issues. Ongoing and responsive to requirements and market conditions. 2. Considering progression schemes across service areas. Ongoing.</p> <p><u>Channel shift</u> 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. Ongoing. 6. Undertaking a review of internal communications. Ongoing.</p>

Existing Mitigation and Controls	Planned mitigating actions
<p><u>Channel shift/Digital services</u></p> <ol style="list-style-type: none"> 1. Engage with the operational staff and systems admin, who understand the back office system. 2. Involvement in Norfolk County Council digital inclusion strategy. <p><u>Pay pressures</u></p> <ol style="list-style-type: none"> 1. Government's public sector pay restraint has had an impact on recruitment and retention for some Council services. Government policy for 2021 was a pay freeze in the public sector. Signs of some relaxation of national 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. 2. Ongoing monitoring of Government public sector pay policies. 	<p><u>Pay pressures</u></p> <ol style="list-style-type: none"> 1. Monitoring of national pay award, recruitment challenges and introduction of progression related award. Ongoing. 2. Some roles requiring particular qualifications are being considered in advance of future recruitment, Mar 24 3. Appropriate allowances for pay to be made within the budget and financial plan. Ongoing. 4. S151 Officer to review the financial implications and identify funding of the proposals. Ongoing. 5. Consider implications for erosion of pay differentials in respect of improving recruitment and retention. Ongoing
<p>Progress</p>	
<p><u>Capacity</u></p> <p>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.</p> <p><u>Channel shift</u></p> <p>Work is concentrating on customer facing aspects to engage fully with the public and reduce the need for more staff intensive means of communication, such as telephone enquiries. Customer contact migrated to telephones/online which are more cost effective methods. Work is ongoing with Environmental Health to achieve full integration with IDOX. Represented on a pilot project being undertaken in west Norfolk relating to digital access skills and attainment, which is part of the county council's strategy programme.</p> <p><u>Pay pressures</u></p> <p>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. There is a timing risk related to determination of local pay award arrangements and national pay agreement.</p>	

Risk name: 14 - Cost of living

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5))

Description: 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.

Existing Mitigation and Controls	Planned mitigating actions
<ul style="list-style-type: none">1. Standing item on Management Team.2. LGA cost of living hub https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub/cost-living-external-resources3. 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.	<ul style="list-style-type: none">1. Promotion of Solar Together Scheme. Applications for 22/23 closed on 27 Sept 2022, implementation for those signed up ongoing.2. "Beat your Bills events". Initial events completed. Further programme of events taking place June-Aug 2023. Ongoing.3. Officer Working Group. First working group held on 18 Oct 2022. Ongoing.
Progress	
<p>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 and extended programme scheduled until Aug 2023. Collaboration with Norfolk Warm Homes to encourage targetted take up of insulation and heating systems. Information included employees and residents, customers.</p> <p>Help for businesses web-content under consideration. FAQs analysis undertaken, content developed and posted to the website.</p>	

Risks categorized as 'High Risk' (Score 10-12)

Ref	Title	The risk that:	Score
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.	12
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.	12
6	Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.	12
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.	12
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.	12
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.	12
11	Statutory compliance	Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	12
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.	12
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.	12

APPENDIX 2 - After May 2023 review

35 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

Risk Category	How the Risk should be managed
Very High Risk (15 – 25) (Red)	Immediate action required. Senior Management must be involved.
High Risk (10 – 12) (Orange)	Senior Management attention needed and management responsibility specified.
Medium Risk (5 – 9) (Green)	Managed by specific monitoring or response procedures. Responsibility to be allocated by Management Team to a named Service Manager.
Low Risk (1 – 4) (White)	Manage by routine procedures, unlikely to need specific or significant application of resources.

APPENDIX 3 - Corporate risks in score order

Ref	Title	Score
1	Financial sustainability	20
3	Facilitating and enabling growth	20
4	Community issues	20
9	Organisational change	20
14	Cost of living	20
2	Significant programmes/ projects	12
5	Continuity of service	12
6	Data management and security	12
7	Corporate Governance	12
8	Reputation management	12
10	Climate change mitigation and adaptation	12
11	Statutory compliance	12
12	Council owned companies	12
13	Contract/ Supply failure	12

APPENDIX 4 - Corporate risk removed from the register

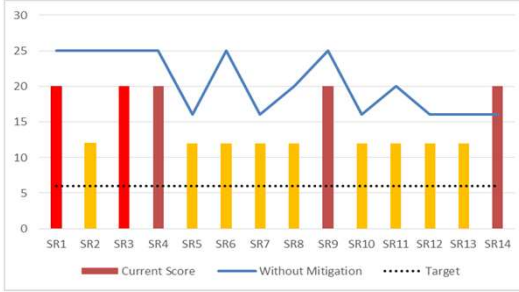
Title	The risk is that:	Risk removed
New regulations regarding HMOs	Managing private rented properties to be MEES compliant.	Aug 2022
Modern Slavery	An emerging national issue has local impacts within the Borough given its demographic and economic profile.	Aug 2022
Financial ledger software implementation and development	Failure to effectively implement and develop software in accordance with required timescales, resulting in disruption to service delivery, processing times, impact on Council reputation and ability to meet mandatory financial reporting deadlines.	May 2022
VAT	The Housing Stock Transfer had a potentially significant impact from April 2007 on the Council's ability to reclaim VAT on purchases and could result in a big increase in expenditure (possibly £200k).	May 2022
VAT - Trust arrangements	If subject to an audit, HMRC may not agree that the model used to establish the new leisure arrangements is valid in respect of claiming VAT exemptions.	Jun-19
Revenues and Benefits software tender	Failure of tender process to procure an appropriate software solution and/or the ability to effectively implement new software in accordance with required timescales, resulting in disruption to service delivery, processing times and impact on Council reputation	Jun-19
Fire compartmentalisation	Elements of King's Court are declared unsafe for habitation based on a fire safety assessment by either the Crown fire officer or BCKLWN's fire officer.	Jun-19
THi 2 Application to the Heritage Lottery Fund	Important parts of King's Lynn continue to be in a dilapidated state giving a very poor image of the town	Jun-19
Waste and Recycling Contract	The Council will not have the required vehicles or manpower to supply waste collection services if Kier, who currently have the contract to provide the service, terminate the contract at short notice.	Oct-18
King's Court	Relocation of partner organisations into King's Court risks disruption to and potential loss of/impact on services currently delivered from the site. There is also the risk of loss of income/higher implementation costs associated with moving external teams into the building.	May-18

Corporate Risk Monitoring Report - May 2023

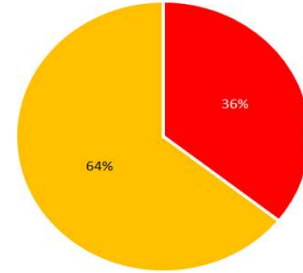
Score distribution

		Impact				
		1	2	3	4	5
Likelihood	5				1,3,4,9,14	
	4			8		
	3				2,5,6,7,10,11,12,13	
	2					
	1					

Current risk scores



Risk breakdown



Risk Category	How the risk should be managed
Very High Risk (15-25) Red	Immediate action required. Senior Management must be involved.
High Risk (10-12) Amber	Senior Management attention needed and management responsibility specified.
Medium Risk (5-9) Green	Manage by specific monitoring or response procedures. Responsibility to be allocated by Management Team to a named Service Manager.
Low Risk (1-4) White	Manage by routine procedures, unlikely to need specific or significant application of resources.

SR1 Financial sustainability					20	Impact					
						1	2	3	4	5	
Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.					Likelihood	5				C	W
						4					
						3					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain						2			T		
Risk score Impact - Major Likelihood - Almost certain						1					
Target Score Impact - Moderate Likelihood - Unlikely											
DoT No change											

SR3 Facilitating and enabling growth					20	Impact					
						1	2	3	4	5	
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.					Likelihood	5				C	W
						4					
						3					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain						2			T		
Risk score Impact - Major Likelihood - Almost certain						1					
Target Score Impact - Moderate Likelihood - Unlikely											
DoT No change											

SR4 Community Issues					20	Impact					
						1	2	3	4	5	
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.					Likelihood	5				C	W
						4					
						3					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain						2			T		
Risk score Impact - Major Likelihood - Almost certain						1					
Target Score Impact - Moderate Likelihood - Unlikely											
DoT No change											

SR9 Organisational Change					20	Impact					
						1	2	3	4	5	
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.					Likelihood	5				C	W
						4					
						3					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain						2			T		
Risk score Impact - Major Likelihood - Almost certain						1					
Target Score Impact - Moderate Likelihood - Unlikely											
DoT No change											

SR14 Cost of Living					20	Impact					
						1	2	3	4	5	
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.					Likelihood	5				C	
						4				W	
						3					
Inherent score without mitigation Impact - Major Likelihood - Likely						2			T		
Risk score Impact - Major Likelihood - Almost certain						1					
Target Score Impact - Moderate Likelihood - Unlikely											
DoT No change											

SR2 Significant programme/projects						12	Impact					
							1	2	3	4	5	
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.						Likelihood	5					W
							4					
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR5 - Continuity of service						12	Impact					
							1	2	3	4	5	
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.						Likelihood	5					
							4					W
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Major Likelihood - Likely		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR6 - Data management and security						12	Impact					
							1	2	3	4	5	
Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.						Likelihood	5					W
							4					
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Extreme Likelihood - Almost likely		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR7 - Corporate Governance						12	Impact					
							1	2	3	4	5	
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.						Likelihood	5					
							4					W
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Major Likelihood - Likely		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR8 - Reputation Management						12	Impact					
							1	2	3	4	5	
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.						Likelihood	5					W
							4					C
							3					
							2			T		
							1					
Inherent score without mitigation Impact - Major Likelihood - Almost certain		W	Risk score Impact - Moderate Likelihood - Likely		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR10 - Climate change mitigation and adaptation						12	Impact					
							1	2	3	4	5	
Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.						Likelihood	5					
							4					W
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Major Likelihood - Likely		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR11 - Statutory compliance						12	Impact					
							1	2	3	4	5	
Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations						Likelihood	5					
							4					W
							3					C
							2			T		
							1					
Inherent score without mitigation Impact - Extreme Likelihood - Likely		W	Risk score Impact - Major Likelihood - Possible		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change			⇒

SR12 - Council owned companies					12	Impact					
						1	2	3	4	5	
Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.					Likelihood	5					
						4				W	
						3				C	
						2			T		
						1					
Inherent score without mitigation	Risk score	Target Score	DoT								
Impact - Major	Impact - Major	Impact - Moderate									
Likelihood - Likely	W	Likelihood - Possible	C	Likelihood - Unlikely	T	No change	⇒				

SR13 - Contract/Supply failure					12	Impact					
						1	2	3	4	5	
Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.					Likelihood	5					
						4				W	
						3				C	
						2			T		
						1					
Inherent score without mitigation	Risk score	Target Score	DoT								
Impact - Major	Impact - Major	Impact - Moderate									
Likelihood - Likely	W	Likelihood - Possible	C	Likelihood - Unlikely	T	No change	⇒				

Key:
W - Without mitigation C - Current risk score T - Target risk score

Impact **Rating**
Insignificant 1
Minor 2
Moderate 3
Major 4
Extreme 5

Likelihood **Rating**
Rare 1
Unlikely 2
Possible 3
Likely 4
Almost certain 5

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	7 August 2023		
TITLE:	Annual Internal Audit Opinion 2022/23		
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:
<p>The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.</p> <ul style="list-style-type: none"> • Those standards – the Public Sector Internal Audit Standards - require the Chief Audit Executive to provide a written report to those charged with governance (known in this context as the Audit Committee) to support the Annual Governance Statement (AGS). This report must set out: • The opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control during 2022/23, together with reasons if the opinion is unfavourable; • A summary of the internal audit work carried from which the opinion is derived, the follow up of management action taken to ensure implementation of agreed action as at financial year end and any reliance placed upon third party assurances; • Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS); • Details of internal and external assessments undertaken to provide assurance over the compliance with the Public Sector Internal Audit Standards including details of performance and continuous improvement.
KEY ISSUES:
<p>The Internal Audit Opinion for Governance, Risk Management and Control for 2022/23 is reasonable overall. It is recommended that any significant and outstanding internal audit actions are referenced in the council’s annual governance statement.</p>
OPTIONS CONSIDERED:

Not applicable

RECOMMENDATIONS:

The Audit Committee are requested to receive and approve the Annual Internal Audit Opinion report 2022/23.

REASONS FOR RECOMMENDATIONS:

In receiving and noting this report, the Committee is ensuring that the Internal Audit Service remains compliant with professional auditing standards and demonstrating that its terms of reference are being fulfilled.

Borough Council of King's Lynn and West Norfolk

Annual Report and Opinion 2022/23

Responsible Officer: Faye Haywood – Internal Audit Manager for Borough Council of King's Lynn and West Norfolk

CONTENTS

1. INTRODUCTION.....

2. ANNUAL OPINION OF THE HEAD OF INTERNAL AUDIT.....

2.1 Roles and responsibilities

2.2 The opinion itself

3. AUDIT WORK UNDERTAKEN DURING THE YEAR.....

4. THIRD PARTY ASSURANCES.....

5. ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT.....

APPENDIX 1 – AUDIT WORK UNDERTAKEN DURING 2022/23.....

APPENDIX 2 – ASSURANCE CHART.....

APPENDIX 3 – LIMITATIONS AND RESPONSIBILITIES.....

APPENDIX 4 - EXTERNAL QUALITY ASSESSMENT REPORT EXTRACT.....

1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.2 Those standards – the Public Sector Internal Audit Standards - require the Chief Audit Executive to provide a written report to those charged with governance (known in this context as the Audit Committee) to support the Annual Governance Statement (AGS). This report must set out:
- The opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control during 2022/23, together with reasons if the opinion is unfavourable;
 - A summary of the internal audit work carried from which the opinion is derived, the follow up of management action taken to ensure implementation of agreed action as at financial year end and any reliance placed upon third party assurances;
 - Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS);
 - The Annual Review of the Effectiveness of Internal Audit, which includes; the level of compliance with the PSIAS and the results of any quality assurance and improvement programme, the outcomes of the performance indicators.
- 1.3 When considering this report, the statements made therein should be viewed as key items which need to be used to inform the organisation’s Annual Governance Statement, but there are also a number of other important sources to which the Audit Committee and statutory officers of the Council should be looking to gain assurance. Moreover, in the course of developing overarching audit opinions for the authority, it should be noted that the assurances provided here, can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes subject to internal audit review. The annual opinion is thus subject to inherent limitations (covering both the control environment and the assurance over controls) and these are examined more fully at **Appendix 3**.

2. ANNUAL OPINION OF THE HEAD OF INTERNAL AUDIT

2.1 Roles and responsibilities

- The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.
- The AGS is an annual statement by the Leader of the Council and the Chief Executive that records and publishes the Council’s governance arrangements.
- An annual opinion is required on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control, based upon and limited to the audit work performed during the year.

This is achieved through the delivery of the risk based Annual Internal Audit Plan discussed and approved with the Management Team and key stakeholders and then approved by the Audit Committee.

The Internal Audit plan was approved at the meeting held in April 2022. This opinion does not imply that internal audit has reviewed all risks and assurances, but it is one component to be considered during the preparation of the AGS.

The Audit Committee should consider this opinion, together with any assurances from management, its own knowledge of the Council and any assurances received throughout the year from other review bodies such as the external auditor.

2.2 The opinion itself

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**.

A total of 13 assurance audits have now been completed, 12 of which have received a positive assurance grading. In addition two Position Statements (advisory work) have been carried out for Project Management and Climate Sustainability providing suggested improvements for management to address.

It is encouraging to note that of those 12 mentioned above, five audits have resulted in a Substantial assurance grading:

- Corporate Health and Safety
- Anti-Social Behaviour and Community Safety
- Key Controls and Assurance
- Economic Growth
- Software Licenses.

One audit on Procurement and Contract Management has resulted in a Limited assurance grading. A total of 13 recommendations were raised - one high, seven medium and five low.

We recommend that the high and medium priority findings raised within this report are referenced within the Council's Annual Governance Statement, until such time that verification work to demonstrate that improvements are embedded is undertaken, a summary of those recommendations can be found at section 3.5 of this report.

In providing the opinion the Council's risk management framework and supporting processes, the relative materiality of the issues arising from the internal audit work during the year and management's progress in addressing any control weaknesses identified therefrom have been taken into account.

The opinion has been discussed with the Section 151 Officer prior to publication.

3. **AUDIT WORK UNDERTAKEN DURING THE YEAR**

3.1 **Appendix 1** records the internal audit work delivered during the year on which the opinion is based, and provides the assurance opinion, the number of recommendations raised and the year-end position in addressing the issues raised.

In addition, **Appendix 2** is attached which shows the assurances provided over previous & current financial years to provide an overall picture of the control environment. This assurance chart highlights the progress that has been made in areas whereby negative assurances have previously been concluded.

3.2 Internal audit work is divided into 4 broad categories:

- Annual opinion audits;
- Fundamental financial systems that underpin the Council's financial processing and reporting;

- Service area audits identified as worthy of review by the risk assessment processes within internal audit;
- Significant computer systems which provide the capability to administer and control the Council's main activities.

3.3 Summary of the internal audit work

In 2022/23 Internal Audit has issued 13 assurance reports – five substantial, seven reasonable and one limited. In addition two position statements for Climate Sustainability and Project Management have been completed to provide advisory points for management consideration in these areas.

Revisions to the audit plan resulted in five audits being deferred: IT Governance; Network Infrastructure and Security; Cost Reduction Programme; Homelessness and Housing Options; and Corporate Governance. These revisions and explanations for them have been presented to Audit Committee throughout the year.

The executive summaries from finalised Internal Audit reports from 2022/23 have now been presented to the Audit Committee, ensuring open and transparent reporting, and enabling the Committee to review key service area controls and the conclusions reached.

3.4 Follow up of management actions.

In relation to the follow up of management actions to ensure that they have been effectively implemented the position at year end is that 51 recommendations in total are overdue.

A total of three medium priority recommendations are outstanding from 2018/19.

A total of 11 recommendations (10 medium and one low priority) are outstanding from 2019/20.

One medium priority recommendation in relation to ICT – Cyber Security is outstanding from 2020/21.

A total of 33 recommendations (six high, 12 medium and 15 low priority) are outstanding from 2021/22.

A total of 79 recommendations have been agreed in 2022/23 and 22 recommendations have been completed. Three recommendations are outstanding (one medium and two low); and 54 recommendations are not yet due.

Please refer to the separate **Internal Audit Follow Up Report August 2023**, which shows the details of the progress made to date in relation to the implementation of the agreed recommendations and provides an update from management regarding all high and medium priority recommendations.

3.5 Issues for inclusion in the Annual Governance Statement

As stated within the opinion statement, Internal Audit recommends that the one high, and seven medium recommendations raised from the Procurement and Contract Management audit report are highlighted within the Council's Annual Governance Statement until they are complete. The recommendations are summarised as follows:

High

- The CSOs should be reviewed and updated where appropriate; for example, the name of the current Monitoring Officer and the names of the current Procurement Team members should be included. The CSOs should also be updated to make reference to the publication of contracts in FTS above the UK threshold (replacing the reference to the publication of contracts in OJEU above the EU threshold). The CSOs should state the frequency of review and the date of the next review. The Council's Procurement Rules as stated on the Authority's website should be updated to reflect the requirement to publish contracts above the UK thresholds in FTS. Also, the threshold levels should be updated.

Medium

- All procurements over £25,000 should be brought to the attention of Procurement to ensure that procurement rules / CSOs are followed. Procurement should send out a global email to all departments and service areas within BCKLWN and AWN requesting them to provide details of all procurements over £25,000, and send out a reminder email each year. Procurement should monitor responses to ensure all are returned, instead of accepting a non-response as meaning no contracts are in place. If nothing is forthcoming, Procurement need to escalate it to the appropriate AD. This will ensure that Procurement are made aware of all contracts negotiated by the Authority and that they are recorded in the Contracts Register. The Procurement Strategy should be amended to state that all procurements over £25,000 are brought to the attention of the Procurement Team, which is in line with the tender threshold. In addition, Procurement should check that a valid contract exists before a new supplier is set up on the Finance system.
- All officers within the Authority should be required to complete the Procurement e-learning module. It should also be included within the induction programme so that all new starters are required to complete it. Appropriate face-to-face training should be provided by the Procurement Team to senior officers/budget holders to raise awareness of CSOs and the Procurement Rules. The training should include commercial awareness, negotiation skills and contract management. Procurement and contract management awareness training should be provided to Members.
- Procurement should be given access to the Analyser function within Unit4 to enable them to analyse supplier spend during the year. Budget override facilities and fund check alerts should be built into Unit4 so as to alert budget managers where spend exceeds CSO thresholds.
- Procurement Team should review all current contracts to establish whether they contain KPIs and ensure that contract extensions and future procurement exercises consider performance measures within contract specifications. The Authority's standard contract and framework agreement templates should be updated to include a section on performance management and KPIs.
- Procurement should compile a guide on contract management and performance monitoring for service departments and include the following requirements in the training provided to senior officers and budget holders. Procurement should check a sample of minutes of performance monitoring meetings on a regular basis as part of a health check.
 - Regular performance monitoring meetings should be held with contractors, at which performance against KPIs should be discussed;
 - Performance monitoring meetings with contractors should be formally minuted;
 - Regular performance data should be provided to the Authority by the contractor, which should then be validated.

- The Procurement Team should set up a register listing all PPNs received. This should include the date each PPN was issued and the date it was actioned by the Authority, enabling analysis of the timeliness of implementing each PPN to be monitored, and outline the action taken to implement each notice. The register should be regularly reconciled to the list of PPNs issued on the Cabinet Office website to confirm that the Authority has received all relevant PPNs.
- The Exemptions Register should be enhanced to include the following: the reason(s) for the exemption being requested and the appropriate CSO ref; confirmation that the form has been signed by the appropriate Executive Director, Procurement Officer and the Monitoring Officer; a link to the relevant exemption form. In addition to the exemption form itself, copies of authorising emails should be held in the Exemptions folder on the Procurement P:Drive. As part of the training programme, Procurement should remind senior officers/budget holders of the requirement to complete an exemption form, where applicable. The exemptions listed in the 2012-2022 tab in the Exemptions Register should be reconciled to those recorded under each individual tab to ensure that all exemptions are fully accounted for.

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

2021/22 Alive West Norfolk

High

- A suite of new SLAs 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 KPIs should be produced for each Service Area within the SLA, to ensure the service is being provided efficiently and effectively for both parties. The KPIs should be monitored and reported appropriately to the AWN Board, and a relevant Council body if required.
- 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 amended and reflect actual, and agreed, costs rather than expected costs.

Medium

- When the Management Agreement is next due for review, consider if it is appropriate for member involvement in decisions of AWN.

2021/22 Waste Management Contract

Medium

- 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.

2021/22 Capital Programme

High

- The governance 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.
- Consider creating a suite of documents to enable a complete and fully informed decision-making process.
- 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 consistent approach to appraising project viability.
- To use the Business Case documentation submitted within the Town Investment Plan (TIP), and subsequently submitted to Central Government as Business Cases, uses consistent headings that include: objectives; aims; scope; financial implications, including revenue costs and future costs (resource and maintenance costs); resource requirements; and risk registers.

It is very encouraging to note that from October 2022 to May 2023 a total of 87 recommendations have been completed. The Council may however wish to disclose that it continues to commit to reducing the significant number of outstanding internal audit recommendations. This ensures that good governance can be demonstrated by mitigating the risks that have been identified by internal audit work in a timely manner.

4. THIRD PARTY ASSURANCES

- 4.1 In arriving at the overall opinion reliance has been placed on the work of an independent third-party consultant for IT Security. The report provided to Internal Audit describes the Council's security posture as having a progressive approach to Cyber Security. It is reported that there are no critical gaps that emerged during conversation, and there is a continued input and involvement from the organisation to improve their security posture. In order not to duplicate the assurances provided by the Senior Cyber Risk Consultant, the Head of Internal Audit has relied on the result of this work for the purposes of considering the Council's overall opinion.

5. ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

5.1 Quality Assurance and Improvement Programme (QAIP)

5.1.1 Internal Assessment

A checklist for conformance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note has been completed for 2022/23. This covers: the Definition of Internal Auditing, the Code of Ethics and the Standards themselves.

The Attribute Standards address the characteristics of organisations and parties performing Internal Audit activities, in particular, Purpose, Authority and Responsibility, Independence and Objectivity, Proficiency and Due Professional Care, and Quality Assurance and Improvement Programme.

The Performance Standards describe the nature of Internal Audit activities and provide quality criteria against which the performance of these services can be evaluated, in particular: Managing the Internal Audit Activity, Nature of Work, Engagement Planning, Performing the Engagement, Communicating Results, Monitoring Progress and Communicating the Acceptance of Risks.

An assessment was carried out in October 2021 by the Internal Audit Manager and a total of two out of nine recommendations remain as follows;

1. To provide assurance required over complex risks identified within the Corporate Risk Register it is advised that IT audit resource is used to undertake this work for the Council in future.

- It has been agreed that where IT assurances are required, the Council will seek to use the EIAS agreement to use outsourced resources with specialist knowledge.

2. Follow up process to be redesigned allowing for quarterly reporting to Management Team, Audit Committee and to allow for Internal Audit verification of completed recommendations.

- The first stages of the process are underway. Updates have been gathered and the process redesigned. Continuous monitoring to be actioned throughout 2023/24.

A number of further actions have been added and progressed with the team as follows.

- Training needs analysis undertaken with Internal Team to ensure that skills are refreshed. Relevant training has been booked and staff have started courses to obtain relevant auditing qualifications.
- Scoping and reporting templates have been re-designed with Senior Management and the Audit Committee in mind to ensure that key information is highlighted earlier and more succinctly.
- The team is recruiting to an Apprentice role to safeguard the long-term sustainability of the in-house internal audit function.

5.1.2 External Assessment

In relation to the Attribute Standards, it is recognised that to achieve full conformance an external assessment is needed. An external assessment was carried out in October 2022 by the Chartered Institute of Internal Auditors (IIA). We are pleased to report that we received a 'generally conforms' result, with conformance in 60 out of 64 areas (two areas were not applicable, and two resulted in 'partially conforms'). An extract from the report is provided at **Appendix 4**. A full copy of the report can be provided to members upon request.

It was highlighted, that we are particularly good at: reflection of the standards; focus on performance, risk and adding value; and QAIP. Positive feedback received from key stakeholders highlights that that we are 'professional and have an excellent reputation'.

One area of partial conformance was highlighted in coordinating and maximising assurance. Since October, this area has been improved as part of annual internal audit planning. Within the Strategic and Annual Plans report 2023/24 presented in March 2023, an Assurance Map was provided, outlining the top risks, along with first, second and third lines of assurance.

The second area of partial conformance was raised to ensure that we receive an External Quality Assessment as it falls due on the five-year anniversary.

5.2 Performance Indicator outcomes

5.2.1 The Internal Audit Service was benchmarked against three performance indicators in 2022/23. The results are as follows: The results show that in all cases the team has exceeded their targets, demonstrating that reports are well received by senior management and recommendations made and agreed are perceived as value adding.

Measure	Target	Result
Number of completed fraud/corruption investigations (including data matching exercises)	5,000	5,293
Percentage of internal audit recommendations accepted by management	90%	99.17%
Officer Satisfaction of Internal Audit performance	3 – Good	4.72 – Very Good

APPENDIX 1 – AUDIT WORK UNDERTAKEN DURING 2022/23

Audit Area	Assurance	No of Recs	Implemented	High OS	Medium OS	Low OS	Not yet due
Corporate Health and Safety	Substantial	1	0	0	0	1	0
Business Continuity	Reasonable	9	7	0	1	1	0
Project Management Framework	Position Statement						
Business Planning & Performance Management	Reasonable	3	0	0	0	0	3
Procurement and Contract Management	Limited	13	1	0	0	0	12
Environmental Protection	Reasonable	13	5	0	0	0	8
ASB Community Safety	Substantial	5	1	0	0	0	4
Accounts Receivable	Reasonable	8	0	0	0	0	8
Income	Reasonable	5	0	0	0	0	5
Key Controls and Assurance	Substantial	2	0	0	0	0	2
Economic Growth	Substantial	3	0	0	0	0	3
Software Licensing	Substantial	0	0	0	0	0	0
Towns Fund	Reasonable	9	8	0	0	0	1
Accountancy Services	Reasonable	8	0	0	0	0	8
Climate Sustainability	Position Statement						
Total		79	22	0	1	2	54

52

Assurance level definitions		Number
Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our audit review were being consistently applied.	5
Reasonable Assurance	Based upon the issues identified 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.	7
Limited Assurance	Based upon 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.	1
No Assurance	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.	0

APPENDIX 2 – ASSURANCE CHART

	2021-22	2022-23	2023-24
Annual Opinion and Governance Audits			
Corporate Health and Safety		Substantial	
Policies	Reasonable		
Data Sharing Arrangements	Reasonable		
Project Management Framework		Position Statement	
Business Planning and Performance Management		Reasonable	
Procurement and Contract Management		Limited	
Corporate Governance			X
Key Controls and Assurance		Substantial	X
Counter Fraud and Corruption			X
Cost Management Programme			X
Complaints and FOIs			X
Fundamental Financial Systems			
Accounts Payable	Reasonable		
Benefits	Reasonable		
Financial Governance and Budgetary Control	Reasonable		
Council Tax and NNDR	Reasonable		X
Financial Management Systems	Reasonable		
Payroll and HR	Substantial		X
Accounts Receivable		Reasonable	
Income		Reasonable	
Accountancy Services		Reasonable	
Local Council Tax Support and Housing Benefits			X

	2021-22	2022-23	2023-24
Service Area Audits			
Alive West Norfolk	Limited		
Capital Programme	Limited		X
Economic Growth	Reasonable	Substantial	X
Emergency Planning and Management/Business Continuity	Reasonable	Reasonable	
Food Hygiene, Health & Safety and Public Health	Substantial		
Housing Standards/HMOs	Reasonable		X
Licensing	Substantial		
Planning Enforcement	Reasonable		
Street Cleansing	Substantial		
Waste Management	Limited		X
Environmental Protection		Reasonable	
Anti-Social Behaviour/Community Safety			
Homelessness and Housing Options			X
Towns Fund		Reasonable	
Climate Sustainability		Position Statement	
Organisational Development - Training			X
West Norfolk Housing Company Ltd			X
West Norfolk Property Ltd			X
Public Open Space incl. play areas, tree management			X
Land Charges			X
Community Infrastructure Levy			X
IT Audits			
Cyber Security	Reasonable		
Disaster Recovery	Substantial		
Software Licensing		Substantial	
Starters, Movers, Leavers			X
IT Governance			X

APPENDIX 3 – LIMITATIONS AND RESPONSIBILITIES

Limitations inherent to the Internal Auditor's work

The Internal Audit Annual Report has been prepared and the internal auditors undertook the agreed programme of work as approved by management and the Audit Committee, subject to the limitations outlined below.

Opinions

The opinions expressed are based solely on the work undertaken in delivering the approved 2022/23 Annual Internal Audit Plan. The work addressed the risks and control objectives agreed for each individual planned assignment as set out in the corresponding audit planning memorandums (terms of reference) and reports.

Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve corporate/service policies, aims and objectives: it can therefore only provide reasonable and not absolute assurance of effectiveness. Internal control systems essentially rely on an ongoing process of identifying and prioritising the risks to the achievement of the organisation's policies, aims and objectives, evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. That said, internal control systems, no matter how well they have been constructed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

Internal Audit's assessment of controls relating to Borough Council of King's Lynn and West Norfolk is for the year ended 31 March 2023. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in the operating environment, law, regulation or other matters; or,
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

The Internal Audit Manager has sought to plan Internal Audit work, so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, additional work will then be carried out which is directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, does not guarantee that fraud will be detected, and internal auditors' examinations should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

APPENDIX 4 – EXTERNAL QUALITY ASSESSMENT REPORT EXTRACT

Conformance Opinion

The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards.

There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that internal audit activity conforms to 60 of the 64 relevant principles, with partial conformance on two principles. Two of the principles were not relevant as they relate to situations that have not occurred to date.

This is summarised in the table below.

Summary of conformance	Standards	Generally conforms	Partially conforms	Does not conform	Not relevant	Total
Definition of IA and Code of Ethics	Rules of conduct	12				12
Purpose	1000 - 1130	8				8
Proficiency and Due Professional Care (People)	1200 - 1230	4				4
Quality Assurance and Improvement Programme	1300 - 1322	5	1		1	7
Managing the Internal Audit Activity	2000 - 2130	11	1			12
Performance and Delivery	2200 - 2600	20			1	21
Total		60	2	0	2¹	64

¹ These relate to circumstances which prior to the external quality assessment were deemed not relevant, namely the Disclosure of Non-conformance and Engagement Disclosure of Non-conformance, which have not been necessary to date.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	7 August 2023		
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: 11 November 2022 to 24 July 2023

Responsible Officer: Faye Haywood – Internal Audit Manager

CONTENTS

<i>1. INTRODUCTION.....</i>	<i>2</i>
<i>2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN</i>	<i>2</i>
<i>3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK</i>	<i>2</i>
<i>4. THE OUTCOMES ARISING FROM OUR WORK</i>	<i>3</i>
<i>APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK.....</i>	<i>6</i>
<i>APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23.....</i>	<i>7</i>

1. INTRODUCTION

- 1.1 This report is issued to assist Borough Council of King's 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. At the November 2022 Audit Committee, the IT Governance audit was deferred. Since then, four further audits have been deferred:

Audit	Justification
KLWN2204 Cost Reduction Programme	This audit has been deferred to the 2023/24 Internal Audit plan at the suggestion of senior management. The Cost Reduction Programme was paused in early 2020 due to the pandemic and has just recommenced. It is therefore suggested that there will be more projects to review in detail once the programme has been running for longer.
KLWN2201 Corporate Governance	This audit has been deferred to the 2023/24 internal audit plan. It was felt that it would be more beneficial to carry out this audit following the local elections.
KLWN2214 Homelessness and Housing Options	Strategic risks in this area were reviewed during audit planning. Other work has been prioritised; however this review will now take place in the 2023/24 plan.
KLWN2220 Network Infrastructure and Security	A Senior Cyber Risk Consultant has been used by the Council to give independent assurance on the Councils security control framework. In order to not duplicate effort the Internal Audit team have agreed to defer this work until later in the three-year audit cycle.

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 214 days of programmed work has been completed, resulting in 99% of the total revised Internal Audit Plan for 2022/23. All audits have been finalised, and a total of three days of the allocated 50-day budget has not been required from the EIAS arrangement.

4. THE OUTCOMES ARISING FROM OUR WORK

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

Substantial	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.
Reasonable	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.
Limited	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.
No Assurance	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 101 reports have been finalised from the 2022/23 Internal Audit Plan:

Audit	Assurance	High	Medium	Low
KLWN2205 Business Planning and Performance Management	Reasonable	0	3	0
KLWN2208 Procurement and Contract Management	Limited	1	7	5
KLWN2213 Environmental Protection	Reasonable	0	2	11
KLWN2215 Anti-Social Behaviour and Community Safety	Substantial	0	0	5
KLWN2211 Accountancy Services	Reasonable	0	4	4
KLWN2210 Income	Reasonable	0	4	1
KLWN2202 Key Control and Assurance	Substantial	0	0	2
KLWN2216 Towns Fund	Reasonable	0	1	8
KLWN2209 Accounts Receivable	Reasonable	0	2	6
KLWN2217 Economic Growth	Substantial	0	0	3
KLWN2222 Software Licenses	Substantial	0	0	0

- 4.4 As can be seen in the tables above as a result of these audits a total of 69 recommendations have been raised and agreed by management.
- 4.5 The Executive Summary of these reports are attached at **Appendix 2**; full copies of these reports can be provided to members upon request.
- 4.6 In addition to the above, two position statements have been finalised – KLWN2203 Project Management Framework and KLWN2218 Climate Sustainability. The suggested actions from each of the position statements is provided below:

KLWN2203 Project Management Framework

- Introduce an overarching policy/strategy document for corporate/major project management.
- Introduce a centralised method of recording and storing project information/documentation, with version control in place and appropriate access controls.
- For major projects, the Project Management Framework should be developed to align with the principles of HM Treasury's "The Green Book" appraisal approach, including the five-case business model.
- When producing the strategic case within the Business Case of a project, the risks, constraints and interdependencies should be included as well as the mitigating factors identified.
- Risk Management processes within Project Management Frameworks need to allow individual risk events and overall risk to be understood and management proactively. A golden thread needs to be introduced to link individual project risk registers, programme risk registers and the corporate risk register.
- The strategic case for the Riverfront Regeneration Business Case to be updated to include details of constraints and interdependencies.
- When considering future projects there should be alternative options to consider other than "do nothing" or "do something", allowing for a more robust assessment and approach to Value for Money, and decision-making processes.
- When considering optimism bias and risk, there needs to be project risks, constraints, or interdependencies and any mitigating factors included within the Economic case for consideration.
- Business cases need to consider the exchequer impact for both expenditure and taxation, particularly for the local economy.
- For corporate projects, a monitoring and evaluation plan should be included in future project business cases, outlining what is to be monitored/evaluated, the frequency of monitoring/evaluating, and who will be responsible for undertaking this.
- Within the Commercial Case of projects to include: key contractual milestones, delivery dates, and the agreed accounting treatment.
- For future Terms of Reference to include: a section in the template that references any benefits realised, and a section within the report for the financial impact.

KLWN2218 Climate Sustainability

- Community & Environment Policy Review and Development Panel Terms of Reference to include a specific reference to Climate Change/Sustainability to promote the issue democratically.
- To review the robustness of Management Team, Community & Environment Policy Review and Development Panel Reporting against best practice guidance such as minimum requirements set out within HM Treasury Sustainability Reporting Guidance 2022-23.
- Benefits Realisation evaluations of major projects that include construction or refurbishment and any construction or refurbishment projects relating to any buildings

owner by the Borough Council to ensure sustainable construction is being considered and embedded into the selection and contracting processes by comparing the success of projects to standards.

- A member of the Climate Change team to either sit on the Project Development Group (PDG) or to be consulted by the PDG for all new business cases being considered that may impact upon Climate Sustainability and the Council's commitment to Net Zero Carbon emissions by 2035.
- E-learning package for climate change to be developed/procured and rolled out to all staff and members.
- Update the Climate Change Gap Analysis document to highlight the climate change risks referred to within the National Audit Office "Good practice guide for Audit and Risk Committees".

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	
Quarter 1										
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.					
TOTAL		30	20	20						
Quarter 2										
Project Management Framework	KLWN2203	8	8	8	Final report issued on 24 March 2023.	Position Statement				Aug-23
Business Planning & Performance Management	KLWN2205	12	12	12	Final report issued on 2 December 2022.	Reasonable	0	3	0	Aug-23
Procurement and Contract Management	KLWN2208	12	12	12	Final report issued on 20 March 2023.	Limited	1	7	5	Aug-23
Environmental Protection	KLWN2213	12	12	12	Final report issued on 9 March 2023.	Reasonable	0	2	11	Aug-23
ASB Community Safety	KLWN2215	10	10	10	Final report issued on 1 February 2023.	Substantial	0	0	5	Aug-23
TOTAL		54	54	54						
Quarter 3										
Accounts Receivable	KLWN2209	10	10	10	Final report issued on 30 May 2023.	Reasonable	0	2	6	Aug-23
Income	KLWN2210	10	10	10	Final report issued on 14 March 2023.	Reasonable	0	4	1	Aug-23
Homelessness and Housing Options	KLWN2214	12	0	0	Audit deferred.					
Key Controls and Assurance	KLWN2202	15	15	15	Final report issued on 17 April 2023.	Substantial	0	0	2	Aug-23
Economic Growth	KLWN2217	12	12	12	Final report issued on 9 June 2023.	Substantial	0	0	3	Aug-23
TOTAL		59	47	47						
Quarter 4										
Software Licensing	KLWN2222	8	8	8	Final report issued on 24 July 2023.	Substantial	0	0	0	Aug-23
Towns Fund	KLWN2216	10	12	12	Final report issued on 23 May 2023.	Reasonable	0	1	8	Aug-23
Cost Reduction Programme	KLWN2204	10	0	0	Audit deferred.					
Corporate Governance	KLWN2201	10	0	0	Audit deferred.					
Network Infrastructure and Security	KLWN2220	10	0	0	Audit deferred.					
Accountancy Services	KLWN2211	16	16	16	Final report issued on 17 April 2023.	Reasonable	0	4	4	Aug-23
Climate Sustainability	KLWN2218	10	10	10	Final report issued on 17 April 2023.	Position Statement				Aug-23
TOTAL		74	46	46						
Audit Management										
EIAS Audit Management inc follow up	N/A	50	50	47						
TOTAL		50	50	47						
TOTAL		267	217	214			1	25	53	
Percentage of plan completed				99%						

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES 2022/23

Executive Summary – KLWN2205 Business Planning & Performance Management

Our Assurance Opinion: REASONABLE			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	3	0	3

Overall Objective and System Background
<p>Business Planning and Performance Management are corporate functions and cross the whole of the authority. The department activities incorporate the following regulations, acts of legislation and contractual arrangements: -</p> <ul style="list-style-type: none"> • Local Government Transparency Code 2015 • Open Government License • Supports Best Value (Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it exercise its functions, having regard to a combination of factors, including economy, efficiency and effectiveness.) <p>This information then feeds into Annual Governance Statement (AGS) as part of the [Accounts and Audit Regulations 2015, regulation 6(1)]. The AGS is then reviewed annually by both the Audit Committee and the Council’s External Auditor, currently Ernst & Young. The department also has a watching brief at the annual Local Government Association conference.</p> <p>There have been some minor changes to the system in use by the department within the last 12 months, which has coincided with the move from the end of Covid-19 recovery strategy and an emphasis to focus on the corporate business plan.</p> <p>There has been a new performance indicator suite introduced from 1 April 2022, to again coincided with the move from the end of Covid-19 recovery strategy and an emphasis to focus on the corporate business plan. The indicator suite is larger than previous, with 75 indicators now, which has increased from 44 previously.</p> <p>The data/information is collected monthly and subsequently reported to Management Team and Corporate Performance Panel quarterly. KPI targets have been reintroduced following the end of the Covid-19 recovery strategy, and a move back to business as usual.</p> <p>The Council has the following 7 Directorates on Insite, with a further two directorates of Property and Projects, and Legal Services and Monitoring Officer, yet to be finalised: -</p> <ol style="list-style-type: none"> 1. Central Services 2. Environment & Planning 3. Health, Wellbeing and Public Protection 4. Operations and Commercial 5. Programme and Project Delivery 6. Regeneration, Housing and Place

7. Resources

Each Directorate Plan has the following wording included:

“The Corporate Business Plan sets out the broad framework for the Council’s work up to May 2023. Since the last borough elections in May 2019, we have continued to deliver improvements in the quality of people’s everyday lives, whilst operating in a challenging financial environment and responding to the Covid-19 pandemic and new funding opportunities. Local authority funding will remain a challenge and our overall priority is to continue to operate within our means. We want to stimulate economic growth and enable a prosperous future for the people that live and work here, whilst ensuring that the quality of life and natural assets of the area are improved and addressing climate change. With this in mind, we have identified six priorities, underpinned by twelve objectives and 47 key initiatives, which are summarised below.”

Summary of Key Control Issues and Risks

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

- There is a lack of a link, otherwise referred to as a “Golden Thread” from the Corporate Business Plan and Corporate Objectives, through the Directorate Plans and into Service Areas.
 - Risk: The lack of a “Golden Thread” from the Corporate Business Plan to Directorate Plans, to Service Areas, Objectives and KPI’s, can make it difficult for officers to see how their role in their Service Area fits in within the Corporate Business Plan.
- A high number of KPI’s were determined as being SMART, but there were some KPI’s which the auditor was unable to confirm were ‘Achievable’, due to lack of current knowledge of the department concerned.

In the auditor’s opinion there are quite a few KPI’s reported upon within the Performance Monitoring Reports that could be deemed to be information that departments would be able to provide as a business-as-usual activity, rather than being a KPI.

- Risk: Too many KPI’s within Directorate Plans, and being included in Performance Monitoring Reports, could lead to key information not being identified through an overload of data/information being provided.
- There are differences between the total number of KPI’s within current Directorate Plans, and the total number of KPI’s reported within the Performance Monitoring Reports to Corporate Performance Panel.
 - Risk: There is a lack of clarity over what KPI’s are/should be included within the Directorate Plans initially, and then also included within the Performance Monitoring Reports.

Summary of Key Recommendations

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

- Directorate Plans should be reviewed, amended and updated to enable a link, i.e. “Golden Thread” from the Corporate Business Plan to Directorate Plans, cascaded down to Service Areas.

Whether these plans should be reviewed, amended and updated prior to the local elections in May 2023 should be considered.

- When the Directorate Plans are reviewed, consider whether all KPI’s listed are actually KPI’s or whether the information is more of a departmental performance indicator.

Also, the KPI’s should be easily identified against each objective, and be SMART (Specific, Measurable, Achievable, Relevant and Timely).

- When the Directorate Plans are reviewed, KPI’s listed within the Directorate Plan should be replicated within the information provided in the Performance Monitoring Reports to Members.

Other Points to Note

- The contribution, availability and openness of the Corporate Performance Manager and Corporate Performance Officer has enabled this audit to progress in a timely manner.
- Where some issues have been identified, officers were already aware of these, and there are plans to rectify the issues at the earliest opportunity.

Executive Summary – KLWN2208 Procurement and Contract Management

Our Assurance Opinion: Limited			
No. of Recommendations & Priorities			
High	Medium	Low	Total
1	7	5	13

Overall Objective and System Background
<p>To support the opinion on governance, risk management and control, a review of compliance with the Council’s Contract Procedure Rules will be undertaken to provide assurance that procurement work is being carried out in conformance with the Public Contract Regulations 2015. In addition, a sample of contracts will be taken to provide assurance across a range of Council contracts to confirm contract terms are being well monitored and managed.</p> <p>The overall objective of the audit is to ensure that Procurement and Contract Management is being undertaken in accordance with regulatory guidance, Financial Regulations, Contract Standing Orders and Scheme of Delegation, and that contracts are being managed and monitored effectively.</p> <p>The Council is required by Section 135 of the Local Government Act 1972 to make standing orders in respect of contracts for the supply of goods and services or for the execution of works. The Council’s Contract Standing Orders (CSO) ensure that:</p> <ul style="list-style-type: none"> • all contracts demonstrate value for money; • requisite behaviours are shown in terms of integrity, fairness and exposure to risk; and • contracts support Corporate and Service aims and policies. <p>Contract Standing Orders apply to all contracts awarded by the Council for works, services and supplies irrespective of the source of funding. They form part of the Council’s Constitution and must be complied with together with the Council’s Financial Regulations.</p> <p>According to the Contracts Register maintained by Procurement, the Authority has a total of 62 current contracts; of these, 17 commenced in 2022. The contracts are valued at a total of £83,805,558.</p> <p>James Hawes, the Procurement & Contracts Manager, left the Authority on 31st January 2023. An agency manager has been appointed to cover the role while the Authority seeks a substantive appointment to fill the post.</p>

Good Practice Points to Note
<ul style="list-style-type: none"> • Procurement have recently developed an e-learning module which is on the Learning Hub and which all officers will be required to complete. • Contract Standing Orders and Financial Regulations comply with the Scheme of Delegation. • Hard copy contracts are signed by all interested parties i.e., by the Director of the contractor and by an appropriate representative of the Authority. Contracts are held securely in the strongroom in Legal Services in King’s Court.

- Required contract documentation is held in accordance with CSOs. Procurement have recently introduced a checklist to ensure that each contract includes all relevant documents.
- Appropriate arrangements are in place for receipt of tenders and quotations.
- Under Clause 18 of the Authority's standard contract and Section 21 of the Authority's standard Framework Agreement, any part of the contract cannot be sub-contracted without prior written agreement of the Council.

Summary of Key Control Issues and Risks

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

- Contract Standing Orders have not been updated to reflect the requirement, post Brexit, to publish contracts above the UK thresholds in FTS, rather than in OJEU. *Risk: Procedures followed not in accordance with current legal and regulatory requirements.*
- The Contracts Register records all contracts that Procurement are involved with and/or are aware of; however, there may be other contracts negotiated by individual departments/service areas which have not been notified to the Procurement Team. The Procurement & Contracts Manager informed Internal Audit that there are instances where "rogue" contracts are set up which take time to discover and take action in regard to. Spend analysis identified six agency contracts (with a total spend of £426,424) which were not recorded in the Contracts Register. *Risk: Procurement rules not followed, value for money not achieved and contracts not regularly reviewed/exceed their expiry date.*
- Lack of evidence of procurement and contract management training being provided to relevant officers and to new members of staff as part of the induction programme. Procurement have not provided any training to senior officers or to Members recently. *Risk: Procurement and contract management practices contravene CSOs.*
- Procurement are not alerted in cases where aggregate spend exceeds CSO thresholds. Spend analysis is only undertaken on an annual basis; it is envisaged that in the future, spend analysis will be undertaken on a quarterly basis. *Risk: Contract overspends occur.*
- Not all contracts include Key Performance Indicators (KPIs) to monitor the contractor's performance against the contract. Of a sample of eight current contracts reviewed, three did not include any KPIs. *Risk: Authority not receiving services to the required standard as stipulated in the contract.*
- Lack of robust contract management and performance monitoring. Review of a sample of five contracts identified KPIs not being discussed at performance monitoring meetings with contractors and a lack of formal minutes of meetings held with contractors. In one case, no performance monitoring had been held with the contractor since the contract started in July 2022 and no performance data had been provided by the contractor. In another case, the contractor's performance data had not been validated. *Risk: Authority not receiving services to the required standard as stipulated in the contract.*
- Procurement Team do not maintain a register of all relevant PPNs issued by the Cabinet Office. Testing identified at least three relevant PPNs which Procurement had not received. *Risk: Not all PPNs are actioned by the Authority.*

- The Exemptions Register does not include the reason(s) for the exemption being requested or the appropriate CSO ref., or confirmation that the form has been signed by the appropriate Executive Director, Procurement Officer and the Monitoring Officer. Of the six agency contracts identified by Internal Audit as not being included in the Contracts Register, in four cases, there is no evidence of an exemption form having been raised. *Risk: Inappropriate and/or unauthorised exemptions to CSOs.*

Summary of Key Recommendations

One high priority recommendation has been raised:

- CSOs should be updated to make reference to the publication of contracts in FTS above the UK thresholds (replacing the reference to the publication of contracts in OJEU above the EU threshold).

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

- All service departments should notify Procurement of all expenditure over £25,000 as part of the annual spend analysis. If nothing is forthcoming, Procurement should escalate to the appropriate AD. Procurement should check that a valid contract exists before a new supplier is set up on the Finance system.
- Officers should be required to complete the Procurement online training, face to face training should be provided to senior managers/budget holders, and awareness training should be given to Members.
- Procurement should be given access to the Analyser function within Unit4 to enable them to analyse supplier spend during the year. Budget override facilities and fund check alerts should be built into Unit4 so as to alert budget managers where spend exceeds CSO thresholds.
- Procurement Team should review all current contracts to establish whether they contain KPIs and ensure that contract extensions and future procurement exercises consider performance measures within contract specifications.
- Procurement should compile a guide on contract management and performance monitoring for service departments and include this in the training provided to senior officers and budget holders. This should include the requirement to hold regular minuted meetings with contractors at which performance against contract is discussed, and validating performance data provided by contractors.
- Procurement should set up a register listing all PPNs issued by the Cabinet Office evidencing that all relevant notices have been actioned.
- The Exemptions Register should be enhanced to include the reason for the exemption, who authorised it and a link to the exemption form. As part of the training programme, Procurement should remind senior officers/budget holders of the requirement to complete an exemption form, where applicable.

A total of five low priority recommendations have been raised as follows:

- The Authority's Procurement Strategy should be assessed against the National Procurement Strategy to ensure that the aims and objectives of the national strategy are reflected in the Authority's local strategy.
- The actions listed in the Procurement Strategy should be implemented, such as the Procurement Team providing regular updates to MT, uploading a summary of workload onto InSite, having annual reviews with client departments managing contracts to assess the progress of their contracts, and working with departments to share best practice tender procedures.
- Procurement should set up a Training Log recording all training received by the team.
- The Procurement Team should be provided with the most current and up to date version of the Authorised Signatory Listing.
- Strategic risks and mitigating controls relating to procurement and contract management should be included in the Corporate Risk Register.

Summary of Agreed Actions

The Assistant Director, Programme & Project Delivery, has agreed to implement the following actions:

- Birketts LLP have been engaged by Legal Services to carry out a review of CSOs.
- All procurement over £25,000 will be notified to the Procurement Team.
- All officers involved in the raising of Purchase Orders on Unit4, or have involvement in purchasing and procurement, will be required to complete the procurement online training module. Procurement training will be provided to Members.
- All contracts are currently being reviewed to ensure that they include suitable KPIs; where they do not, appropriate KPIs will be included. All new contracts include KPIs.
- The Procurement & Contracts Management Officer is now starting to have reviews with those client departments that manage their own contracts and is looking to become involved in the monitoring and review of contracts by clients.
- A PPN Register will be set up recording all notices received. This will include the date each PPN was received and the date it was actioned, enabling analysis of the timeliness of implementing each PPN to be monitored.
- The Exemptions Register will be enhanced to include the reason for the exemption, who authorised it and a link to the exemption form.
- Once the National Procurement Strategy has been revised, the local Procurement Strategy will be assessed against it.
- Management Team will be asked if they would like Procurement to provide them with quarterly updates on contracts and tenders.
- Look into the possibility of entering the Procurement Team's workload onto InSite at regular intervals.
- Best practice in tender procedures is shared with client departments.
- A Training Log recording all training undertaken by members of the Procurement Team will be set up.

The Procurement Team have access to the Analyser reporting function within Unit4

to enable them to analyse supplier spend. The Group Accountant is currently working with the Procurement & Contracts Management Officer to set up a monthly report of all transactions against each supplier contract; such a report will enable Procurement to monitor contract spend to ensure that it is within agreed contractual spend limits. In addition, Procurement can now access a report listing all POs over £25,000 (they have the facility to report on POs over any amount). Group Accountant is to have a discussion with Embridge to ascertain the possibility, and estimated cost, of installing budget override facilities and fund check alerts into Unit4.

The Authorised Signatory Listing has been updated so that it now only includes officers currently working for the Authority.

The Corporate Performance Manager is to have a discussion with the Procurement & Contracts Management Officer regarding how best to reflect the corporate risks relating to key contracts/suppliers in the Corporate Risk Register.

Our Assurance Opinion: Reasonable			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	2	11	13

Overall Objective and System Background
<p>This area was last reviewed in 2011/12. Due to the nature of the statutory requirements and health and safety risk exposure an internal audit was scheduled to provide assurance on the following areas; contaminated land, air quality, water safety and actions taken by the Council to tackle fly-tipping. The overall objective of the audit is to review the systems and controls in place within Environmental Protection at the Borough Council of King's Lynn & West Norfolk (the Council). The audit will focus on air quality, contaminated land, private water supplies, and Fly-tipping to help confirm that these systems and controls are operating adequately, effectively, and efficiently.</p> <p>The individual control objectives are:</p> <ul style="list-style-type: none"> - To gain assurance of the adequacy of the controls in place within Environmental Protection to ensure compliance with Data Protection/GDPR legislation. - To gain assurance of the adequacy of controls in place to identify, maintain, monitor, comply with statutory requirements, and mitigate the risks of Contaminated Land within the borough. - To gain assurance of the adequacy of controls in place around monitoring, managing, and reporting in line with statutory requirements of Air Quality. - To gain assurance of the adequacy of controls in place to comply with Private Water Supply regulations. - To gain assurance of the adequacy of controls in place to identify, investigate, enforce incidents of fly-tipping, and proactively monitor potential/prevalent fly-tipping sites.

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"> • Private Water Supplies - To include details of the date of the last sample and the next review due for each regulation and each supply within the PWS Sampling Plan. <ul style="list-style-type: none"> - Risk: It is difficult to determine whether samples are being conducted within the specified periods prescribed within the Private Water Supply Regulations 2009. • A decision to be made on whether to use idox Uniform or the Tracking Register for the recording of all reported incidents of fly tipping. All reported incidents of fly tipping to be appropriately coded on the designated recording system for the purposes of accurately reporting data via the Waste Data Flow. <ul style="list-style-type: none"> - Risk: Potential for fly-tipping incidents to be investigated by one or more officers, whilst being unaware of those other investigations being undertaken.

- Risk: Unable to retrieve accurate data on trends and hot spots resulting in ineffective monitoring of hot spot areas / potential hot spot areas.
- Risk: Unaware of repeat offenders or sites being used during future investigations, resulting in potential inappropriate actions / case disposal.
- Risk: Inaccurate reporting for the purposes of National Reporting via the Waste Data Flow

Summary of Key Recommendations

There were no high priority recommendations raised during this audit.

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

- To include details of the date of the last sample and the next review due by date for each regulation and each supply within the PWS Sampling Plan.
- A decision to be made on whether to use idox Uniform or the Tracking Register for the recording of all reported incidents of fly tipping. All reported incidents of fly tipping to be appropriately coded on the designated recording system for the purposes of accurately reporting data via the Waste Data Flow.

A total of 11 low priority recommendations have been raised as follows:

- To carry out a review of the Contaminated Land – Land Charges procedures.
- To include prescribed target dates for acknowledging and responding to contaminated land search enquiries within the contaminated land search enquiry procedures.
- NO2 Tubes are arranged to be delivered to Socotec in a timely manner following the contract changeover.
- NO2 Diffusion Tubes procedures to be updated to reflect the new contract and processes involved once the contract is in place.
- As part of the current Private Water Supply web page review include information in respect of a description of private water supply categories and how these relate to local authority activities and associated charges.
- The Sampling of Private Water Supplies procedures were due for review in June 2021. These should therefore be reviewed.
- The Cleaner Neighbourhood Enforcement Officer Job Role spreadsheet to be amended
 - “Where Community Safety & Neighbourhood Nuisance decline to attend and there is evidence in fly tipping on relevant land we will visit before clear up by Public Open Space area teams to secure evidence before clearance and to prepare and refer this over to Community Safety & Neighbourhood Nuisance for investigation where the investigation falls within Community Safety & Neighbourhood Nuisance remit”.
- Consider the introduction of prescribed target dates for the initial inspection of the fly tipping incident.
- Cleaner Neighbourhood Enforcement Officers to adopt the Record Retention Schedule in place within the Community Safety & Neighbourhood Nuisance department for the recording and retaining of case files. The schedule needs to be updated to include Cleaner Neighbourhood Enforcement Officers.
- Consider a central evidence log for fly tipping purposes across both

Community Safety & Neighbourhood Nuisance and Cleaner Neighbourhood Enforcement Officers (alongside all cases being added to idox Uniform).

- Produce a formal procedure and/or checklist to be used when assessing the targeted approach to be taken with a prevalent fly tipping site.

Other Points to Note

Sound controls were found to be in place within the following areas:

- Sound systems were found to be in place to manage the processes to restrict user access rights to relevant, authorised personnel.
- A central record is maintained of sites within the borough where contamination of land is possible, thereby reducing the risk of potential contamination occurring where sites have been unidentified, unaccounted for and not monitored.
- Sound policy with supporting procedure notes was found to be in place for undertaking contaminated land search enquiries, thereby reducing the risk of services being provided with no charges or incorrect charges levied.
- Sound controls were found to be in place for air quality collation processes for the statutory reporting requirements.
- The Air Quality Action Plan is currently under revision and will go through a formal adoption process during 2023.
- Sound Environmental Permitting controls were found to be in place with a public register of permitted installations held on the Council's website. Environmental Permitting is contracted out to Martin Cranfield Associates.
- An adequate risk assessment programme and supporting documentation is in place and being maintained in line with sampling requirements for private water supplies, thereby reducing the likelihood of risk assessments becoming overdue and or unaccounted for, reducing the risk to people's health through drinking contaminated water and non-compliance with the Private Water Supplies Regulations 2009.
- Sound provisions were found to be in place for the reporting of incidents of fly-tipping, including an interactive mapping system on the website which allows reports to be updated and new reports added.

Executive Summary – KLWN2215 Anti-Social Behaviour

Our Assurance Opinion: SUBSTANTIAL

No. of Recommendations & Priorities

High	Medium	Low	Total
0	0	5	5

Overall Objective and System Background

Community Safety is the use of skills, knowledge and techniques to prevent and reduce crime, disorder and fear of crime and develop safer communities in which to live, work and visit. It is about preventing, reducing and tackling crime, anti-social behaviour and drug abuse; it is also concerned with strengthening community cohesion.

BCKLWN works with partner agencies through the King's Lynn Operational Partnership Team (OPT) to address anti-social behaviour in West Norfolk. The OPT includes representatives from Norfolk Police, Housing Associations and other agencies. The OPT works with both perpetrators and victims of anti-social behaviour to resolve the issue, whether this is with an individual or a group of people who are causing or suffering harm. The OPT works with Parish Councils and communities to ensure public spaces are clean and safe. The OPT works closely with the Environmental Health Team regarding complaints of environmental ASB, such as noise, graffiti, litter and dumped rubbish.

Anti-Social Behaviour (ASB) can be environmental, nuisance or personal. ASB is defined as "Behaviour by a person which causes or is likely to cause harassment, alarm or distress to one or more persons not of the same household as the person" (Antisocial Behaviour Act 2003 & Police Reform & Social Responsibility Act 2011). Examples of ASB include nuisance neighbours, groups causing harassment and intimidation, street drinking, vandalism, dog fouling, graffiti, fly-tipping, litter and abandoned vehicles. Depending on the severity, the Council has agreed levels of intervention which it can pursue to deal with ASB (in accordance with The Anti-Social Behaviour, Crime & Policing Act 2014):

- Community Prevention / Intervention – aims to prevent or reduce ASB affecting the community or environment. It includes awareness raising, Safer Neighbourhood Action Panel, ASB case reviews / community trigger, dispersal powers and public spaces protection order.
- Direct Intervention – agreed to voluntarily by the perpetrator (and victim where appropriate). It includes partnership home visit, restorative justice, Youth Inclusion Support Panel, social inclusion, Family Intervention Project, case conference and acceptable behaviour contract.
- Legal Intervention – used when the severity of behaviour warrants it, when lower level interventions have been repeatedly unsuccessful, or if the perpetrator has not changed their behaviour. It includes exclusion from home, Noise Abatement Notice, ASB Injunction, Criminal Behaviour Order, Fixed Penalty Notice, Closure Notice/Order, Drink Banning Order, possession of dwelling and Community Protection Notice.

Neighbourhood Nuisance can include the following:

- Noise nuisance – examples include loud music, barking dogs, DIY, noise from commercial and industrial premises, construction sites and prolonged ringing of burglar and car alarms.

- Bonfires or smoke
- Odour and light nuisances
- Filthy and verminous premises.

Any action taken is in line with the Council's Corporate Enforcement Policy.

Councils are required to comply with The Anti-Social Behaviour, Crime & Policing Act 2014, which includes two measures designed to give victims and communities a say in the way that complaints of anti-social behaviour are dealt with, and ensure victims' voices are heard:

- ASB Case Review/Community Trigger – gives victims of persistent anti-social behaviour the ability to demand a formal case review where the locally defined threshold is met (but not more than three complaints in the previous six month period), in order to determine if there is any further action that can be taken. The relevant bodies in the local area must agree on and publish their Case Review/Community Trigger procedures; this must include a point of contact for making an application.
- Community Remedy – gives victims a say in out of court punishment of perpetrators of anti-social behaviour when a community resolution, conditional caution or youth conditional caution is chosen.

Summary of Key Control Issues and Risks

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

- Upon receipt of an e-mail from the Personnel officer, it was found that one officer had not completed the mandatory training.
 - Risk: Officers dealing with sensitive information may not be aware of the correct processes/procedures to deal with the information appropriately.
- The auditor could find no reference to the use of the Anti-social Behaviour, Crime and Policing Act 2014 (and subsequent revisions) within the current Corporate Enforcement Policy, however areas of this legislation are included within the policy.
 - Risk: Corporate Policies are not maintained correctly, and do not reflect current legislation for this service area.

Summary of Key Recommendations

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

- Any officers who have not yet undertaken the mandatory DPA and GDPR training should do so as soon as possible.
- Consider whether Senior Management and Members would benefit from

being informed of any information already available from the department such as: -

- how many cases the department is working on;
- how many cases they have responded to;
- case outcomes; and
- how quickly they have responded to calls.

Consideration should also be given as to whether these are KPI's or just standard Performance Indicators, with the information being provided by the department on an ad-hoc basis when requested.

- Consider updating the corporate enforcement policy with more guidance about investigation procedures as outlined in latest home office guidance.
- The current Council Enforcement Policy should include reference to the Anti-social Behaviour, Crime and Policing Act 2014 (and subsequent revisions) as areas of the policy relate to this legislation.
- The current link on the Council website, (found under Community safety and crime, Anti-social behaviour) to the [Community Trigger process for Anti-Social Behaviour issues \(norfolk-pcc.gov.uk\)](#) guides you to the Norfolk County Community Safety Partnership (NCCSP) pages on the Norfolk Police and Crime Commissioner (NPCC) website. The guidance notes within the useful links on this page are dated 2014, and there have been revisions to the guidance in 2017 and most recently June 2022. The link either needs to be removed and updated to include a link to the new ASB Policy (if that recommendation is agreed), or alternatively the link needs to be updated to the latest guidance notes available from the NPCC and NCCSP webpages.

Other Points to Note

- Audit would like to thank officers for their swift responses of queries and documents when requested.

Executive Summary – KLWN2211 Accountancy Services

Our Assurance Opinion: REASONABLE

No. of Recommendations & Priorities

High	Medium	Low	Total
0	4	4	8

Overall Objective and System Background

Accountancy Services is comprised of a variety of key financial systems which feeds into the Internal Audit Opinion and the Statement of Accounts and as such requires regular review to confirm the adequacy and effectiveness of controls.

This is a new area that has not been audited by the Council in this way previously. The recommendations made in previous audit reports will be followed-up as part of this current audit.

The overall objective of the audit is to ensure the robustness of the various accounting systems (General Ledger, Control Accounts, Treasury Management, Budgetary Control and Asset Register) to enable the Head of Internal Audit to form an Internal Audit Opinion on the adequacy and effectiveness of the controls in place.

We are unable to provide assurance on the accuracy of the Asset Register. External Audit (Ernst Young) are working on finalising the valuations for the 2019/20 accounts. Until this is complete, and a valuation has been agreed between the External Auditors and the Council the Fixed Asset valuation is not known. There may be an implication in the accounting figures for the 2020/21, 2021/22 and soon the 2022/23 accounts for fixed assets depending upon the agreed figure for 2019/20.

Summary of Key Control Issues and Risks

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

- Bank account reconciliations are up to date, with the exception of the General Bank Account which at the time of the audit had only been completed up to the end of July 2022. There is no review process in place by a senior member of the Finance team. Bank reconciliations are not signed and dated by the preparing officer, and they are not checked by another officer. *Risk: Not all income received is accounted for and banked.*
- There are a number of outstanding payments in the Suspense Account which have yet to be cleared. As at 11/01/23, there were 50 outstanding payments relating to 2022/23 totalling £178,380. In addition, there are 74 payments relating to 2021/22 which have still to be cleared. *Risk: Not all income received is accounted for.*
- Variance levels for monitoring have not been agreed. The budget monitoring reports do calculate variances, but do not currently include any parameters for highlighting variances. *Risk that significant budget variances go undetected.*
- Where a Service Accountant has agreed a budget virement with a budget holder, the budget holder is not asked to formally confirm the virement. *Risk that budget virements are made without appropriate authorisation from the relevant budget holder.*

Summary of Key Recommendations

One new recommendation has been identified because of this audit specifically, and previous audits had identified a further 7 key recommendations for this audit of accountancy.

A total of four medium priority recommendations have been reviewed in previous audit findings, and they are currently still within the deadline for completion. The recommendations are as follows:

- **From Income Audit – Recommendation Number 2**
Bank reconciliations should be undertaken on a regular monthly basis, soon after the end of the month to which they relate. They should be signed and dated by the preparing officer and passed to a senior member of staff for review and checking to ensure that they are accurate and to ensure that appropriate segregation of duties exists.
- **From Income Audit – Recommendation Number 4**
Direct Credits Suspense Clearing Reports should be regularly reviewed and updated with details of what actions / investigations are being undertaken to clear the items. Due by dates should be applied to the clearing of the items, and if not cleared, an escalation process needs to be implemented.
- **From Financial Governance and Budgetary Control Audit – Recommendation Number 2**
Agreed variance levels for monitoring should be established at which point they are formally investigated and reported.
- **From Financial Governance and Budgetary Control Audit – Recommendation Number 3**
Where Finance have agreed verbally with the relevant budget holder to undertake a budget virement, Finance should then email the budget holder requesting that they confirm the virement.

A total of four low priority recommendations, three of which have been reviewed in previous audit findings, and they are currently still within the deadline for completion. The recommendations are as follows:

- **New –** The Treasury Cashflow Spreadsheet should be made secure, so that only officers who require access to the information/data contained within can do so. Some areas contained within the Treasury Cashflow Spreadsheet, such as the Barclays Bank “Live” information and the Authorisation cells, should be locked so that only officers with relevant authorisation can access those areas when required.
- **From Financial Governance and Budgetary Control Audit – Recommendation Number 4**
The Ground Rules for Budget Transfers should be updated to reflect the fact that a budget transfer over £500,000 is classed as a key decision and as such requires Cabinet approval, and that the Portfolio Holder now has delegated authority up to £500,000.
- **From Financial Governance and Budgetary Control Audit – Recommendation Number 5**
The Cash Limit Rules appended to the Financial Regulations should be updated in line with the Cash Limit Rules appended to the monthly budget monitoring report so that it refers to the Financial Plan 2020-2025 and budget transfers over £500,000 being classed as a key decision.
- **From Financial Governance and Budgetary Control Audit – Recommendation Number 7**
The Financial Regulations should be enhanced to clearly specify the roles and responsibilities of budget holders.

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Other Points to Note
<ul style="list-style-type: none"> • There is a total of four recommendations from the previous audit of Financial Governance and Budgetary Control which have now been completed. • It is understood by the auditor that the General Bank Account has recently been reconciled up to the end of February 2023.

Executive Summary – KLWN2210 Income

Our Assurance Opinion: Reasonable			
No. of Recommendations & Priorities			
High	Medium	Low	Total

0	4	1	5
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Overall Objective and System Background

The overall objective of the review was to ensure the robustness of the controls in place over the collection, receipt, and banking of income, including cash and cheques, and for the monitoring and reporting of the receipt of income.

Summary of Key Control Issues and Risks

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

- The insurance cover in place for the transportation and safe custody of cash in general is adequate; however, the cover in place for the collection and transportation of cash by Loomis of £60,000 is insufficient. Income data for 2022 shows 10 separate occasions when the amounts collected were in excess of £60,000 over the course of 52 collections, the largest such collection being £94,900. *Risk: Financial loss to the Authority from not having adequate insurance.*
- Bank account reconciliations are up to date, with the exception of the General Bank Account which at the time of the audit had only been completed up to the end of July 2022. There is no review process in place by a senior member of the Finance team. Bank reconciliations are not signed and dated by the preparing officer and they are not checked by another officer. *Risk: Not all income received is accounted for and banked.*
- Internal Audit identified one user on the Authority’s income receipting system (Pay360) who was still listed as an active user even though they left the Authority five years ago. Finance confirmed that they were no longer an active user and that the listing had not been updated to reflect this. Finance have now updated the listing to record the individual’s correct status. *Risk: Misappropriation of cash as a result of inadequate security arrangements in place.*
- There are a number of outstanding payments in the Suspense Account which have yet to be cleared. As at 11/01/23, there were 50 outstanding payments relating to 2022/23 totalling £178,380. In addition, there are 74 payments relating to 2021/22 which have still to be cleared. *Risk: Not all income received is accounted for.*

Summary of Key Recommendations

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

- Parking Operations should review the adequacy of insurance cover with Finance prior to renewal of the policy, using the data records held, on the various elements of cover under the policy. Parking Operations should also

inform Finance what cover is required for third party money (NNDC and QEH) based upon contract details in place.

- Bank reconciliations should be undertaken on a regular monthly basis, soon after the end of the month to which they relate. They should be signed and dated by the preparing officer and passed to a senior member of staff for review and checking to ensure that they are accurate and to ensure that appropriate segregation of duties exists.
- Annual reviews should be undertaken of Pay360 users to ensure that staff who transfer roles within the Authority have appropriate levels of access to the system, and that leavers have their access removed.
- Direct Credits Suspense Clearing Reports should be regularly reviewed and updated with details of what actions / investigations are being undertaken to clear the items. Due by dates should be applied to the clearing of the items, and if not cleared, an escalation process needs to be implemented.

A total of one low priority recommendations have been raised as follows:

- Once updated, the Financial Regulations should state the frequency of review and the date of the next review.

Other Points to Note

- Payment methods are clearly available to the public via the Authority's website and over the phone.
- Income is received through secure methods. Post is delivered to the Post Room at King's Court where it is opened and recorded by two officers.
- Adequate security is in place to manage all cash and cheques received and banking arrangements.
- Cash, cheque and card transactions are receipted fully and accurately banked.
- Cash and cheques are counted and reconciled every day, and are promptly banked, with a full audit trail of amounts deposited.
- A cheque listing report is produced, detailing all cheques to be banked.
- Daily reports are produced and reconciled for all income streams (online, phone, Pay Point, etc.).
- Income received is automatically posted to the ledger through a daily download.

Executive Summary – KLV2202 Key Controls and Assurance

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

Overall Objective and System Background

The overall objective of the audit is to ensure the robustness of the annual key controls that feed into the Annual Governance Statement (AGS). For those systems not subject to an audit review within the year more coverage will be provided in those areas. Although the annual key controls that feed into the AGS have been audited previously, they have not been audited in this way historically.

During the audit, sample testing was carried out across a range of financial control areas and concluded that key controls are robust in each area. These areas included: -

- Accounts Payable;
- Payroll;
- Council Tax & National Non-Domestic Rates (NNDR); and
- Housing Benefits and Council Tax Subsidy.

Summary of Key Control Issues and Risks

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

- The Action Plan arising from the previous AGS is reviewed and monitored and updated in relation to action taken. However, actions are not prioritised in terms of being high, medium or low priority, a revised due date is not given if the action is still ongoing, and it is not immediately apparent from the update as to whether the action has been completed, is currently in progress or is outstanding. *Risk that agreed actions are not implemented.*
- After various discussions involving the Group Accountant, Assistant Accounting Technician and Finance Officer, the following was agreed: -
 - There is a report (ASUHEADER) that can be extracted from Unit 4, either in Excel or PDF format, that shows where there have been changes to supplier details. There are a closed number of officers who can amend the system. We have reviewed the controls in place for supplier details and found robust controls over processes for segregation of duties and notes on the system to inform of changes.
 - However, the details in the report for some instances do not clearly identify what the difference has been. *Risk that supplier information could be amended without verification, and fraudulent activity could occur without knowledge.*

Summary of Key Recommendations

Two low priority recommendations have been raised as follows:

- Each action listed in the Action Plan appended to the AGS should be prioritised as high, medium, or low priority, include a revised due date if still outstanding, and be RAG-rated so that it is easy to identify whether the action is complete, in progress or outstanding.
- Finance should include a process/procedure to ensure all supplier amendments are correct and verified.

Other Points To Note

It was noted during the review of the Authority's Annual Governance Statement (AGS) that some other Local Authorities have adopted a system of self-assessment Assurance Statements where senior managers, typically at Assistant Director or equivalent level, detail the relevant governance controls within their particular service area and then sign the Assurance Statement certifying the details as correct. The completed Assurance Statements from each service area are then collated to form the basis of the Authority's AGS.

For example, North Norfolk District Council use a self-assessment Assurance Statement template asking each AD whether particular controls are in place or not; if they are not in place, or if only partially, then the AD notes what action is to be taken to implement that particular control. The Assurance Statement covers a number of control areas, such as:

- Procedures
- Effectiveness of Key Controls
- Alignment of Services with Corporate Objectives, Service Planning, Performance Management and Customer Satisfaction
- HR
- Finance
- Risk and Control
- Health & Safety
- Procurement
- IT
- Business Continuity.

It is therefore suggested that the good practice point of using self-assessment Assurance Statements adopted by other Local Authorities be considered for inclusion in the process used by the Authority in compiling its AGS.

Good Practice Points In Use Currently

- Officers in all areas audited have been very cooperative regarding meeting requests and information requested.
- Where minor document amendments have been discussed during the audit, these have been amended in a timely manner prior to the audit completion.

Our Assurance Opinion: Reasonable			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	1	8	9

Overall Objective and System Background

The overall objective of the audit was to ensure that robust arrangements are in place for the management and governance of the Towns Fund grant, for the process of compiling and agreeing the business case for each project, the monitoring and reporting of progress of each project, and for the identification and management of risks relating to each project.

Following a request from the Corporate Performance Panel (CPP), the Internal Audit team carried out a review in August 2022 into how the King’s Lynn Town Deal Board (KLTDB) was initially set up. This report made a number of recommendations which have been followed-up as part of this current audit.

This audit was carried out during February and March 2023 in liaison with Economic Development. The audit has involved reviewing the Towns Fund projects and provides assurance over the robustness of the current governance arrangements.

As reported to Cabinet on 8th June 2022, the Town Deal funding of £25M, split between the six projects (Riverfront Regeneration, Guildhall, Multi-User Community Hub, Active & Clean Connectivity, KL Youth Retraining Pledge and Public Realm) are supplemented with match funding of £12,056,707, making a total programme cost of £37,056,707. This includes programme management costs of £404,000.

Summary of Key Control Issues and Risks

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

- The KLTDB did not initially include representatives from local parish councils when the Board was established in January 2020; therefore, it would appear that the Board did not fully comply with the Towns Fund Prospectus, issued in November 2019, which stated that all tiers of local government *must* be included. However, this changed in June 2020 when the Towns Fund Guidance was issued which changed the terminology to *should*. *Risk: Board fails to meet the Government’s set up requirements.*

Summary of Key Recommendations

One medium priority recommendation has been made:

- The KLTDB should consider formally minuting that they are satisfied with the decision made to not conform with the guidance relating to including representatives from local parish councils and outline the reasons why they consider they do not feel it is appropriate. *This matter was considered by the KLTDB on 09/09/22 and no further action was considered necessary.*

A total of eight low priority recommendations have been made, seven of which relate to the CPP report and one is a new recommendation:

- The KLTDB should consider revising its Terms of Reference to include all of

the role and responsibilities of TDBs as detailed in the government's Towns Fund Guidance, such as reference to undertaking any required Environmental Impact Assessments and/or Public Sector Equalities Duties. *The KLTDB agreed revised ToR in April 2023; the Board's role was clarified as a strategic board, rather than an operational management board. The Board will continue to meet its statutory requirements. Therefore, it was not considered necessary to add in these elements to the ToR.*

- Consideration should be given to the Board seeking to understand why some of the private sector representatives lost engagement with the project. *The Board was downsized to create a core remaining group, fully engaged and committed in taking the Town Deal forwards. One private sector board member has recently left; therefore, plans are in place to recruit a new private sector board member by the end of July 2023.*
- An Action Log should be maintained recording all actions identified at KLTDB meetings. *Actioned; KLTDB now have an Action Log which is reviewed at each meeting.*
- All KLTDB Board Members should be required to submit a declaration of interests (DOI) form on an annual basis to the Monitoring Officer (MO). *Actioned; DOI forms are required to be refreshed on an annual basis.*
- KLTDB Board Members should be reminded of the need to submit their completed DOI form to the MO promptly so that their declaration of interests on the Vision King's Lynn website can be updated in a timely manner. *Actioned; DOI forms are required to be refreshed on an annual basis.*
- The KLTDB's Register of Members' Interests should be updated to reflect the current membership of the KLTDB. *Actioned; KLTDB's Register of Members' Interests has been updated.*
- A Register of Gifts & Hospitality for KLTDB should be maintained by the MO. KLTDB Board Members should be reminded of the requirement to inform the MO of any gifts or hospitality offered or received. The MO should require KLTDB Board Members to submit an annual declaration return relating to gifts and hospitality. *Actioned; register of gifts & hospitality created and is available on the Vision King's Lynn website and training on the reporting of gifts and hospitality was provided to KLTDB Members on 30/09/22.*

One new low priority recommendation has been made:

- The KLTDB Programme Board Action Log should state for each outstanding agreed action the name of the officer responsible, current status and a target date. *Actioned; the Action Log now includes the responsible officer, current status and target date. The Action Log is reviewed at each KLTDPB meeting.*

Other Points to Note

Assurance work has been undertaken in this area during 2022/23 by the Internal Audit team as it was highlighted as a significant risk.

Following a request from the Corporate Performance Panel, the Internal Audit team carried out a review in August 2022 into how the King's Lynn Town Deal Board was initially set up, the review covered the following areas:

- The Government remit around the Town Deal Board set up requirements.
- Processes undertaken to set up the Town Deal Board (including the

involvement of the consultant, Metro Dynamics).

- How the Town Deal Board was set up initially and whether it met the requirements set.
- Variations in the membership of the Town Deal Board since its inception, how it has evolved and assessing whether it has continuously met the requirements set by Government.

Of the eight recommendations that were made, five have been implemented.

A Position Statement on the Council's Project Management Framework was undertaken in quarter four of 2022/23. This work examined the Council's approach to approving and managing, among others, Town Deal projects such as the Youth Retraining Pledge and Public Realm. Several suggested actions were raised around conformance with best practice, each of which were agreed with management with a due date of 31st December 2023. Ten of these related directly to the Towns Fund projects; each one is currently in the process of being implemented.

The Vision King's Lynn website is now up to date with copies of Board minutes and agendas and with copies of Board papers. The last TDB meeting, held on 24th March 2023, includes the agenda, the draft minutes of the meeting and the Board papers on the website. It was previously noted that minutes of meetings were not available on the website; however, this has now been resolved.

It should be noted that the only guidance available at the time the TDB was created was via the Towns Fund Prospectus dated November 2019; the TDB had to be set up by the end of January 2020 as per government funding requirements. The Towns Fund Guidance was not published until June 2020. It should be noted that the Towns Fund Prospectus, issued in November 2019, stated that the measures *must* be followed; however, this changed to *should* under the Towns Fund Guidance issued in June 2020.

In terms of transparency requirements within the Prospectus, there were no specific measurements for these in terms of time frames (these were introduced in the Towns Fund Guidance in June 2020) e.g., page 63 of the guidance:

In line with the principles of public life, it is important that there is transparency around the operation of the Town Deal Board. Transparent decision making is supported by the publication of information on the Lead Council's website, and we expect the following standards to be applied:

- *A documented decision-making process outlining the voting rights of the Board to be published;*
- *Profiles of Board Members to be published;*
- *All Board papers to be published on the Lead Council's website in advance of the meeting (within 5 clear working days);*
- *To promptly publish draft minutes of meetings on the Lead Council's website following the meeting (within 10 clear working days);*
- *To publish final minutes on the Lead Council's website, once approved by the Board (within 10 clear working days);*
- *Any conflicts of interest reported to be formally noted within the published minutes.*

It is important that the Town Deal Board abides by Lead Council governance and finance arrangements when considering private reports, with the default

position being that all papers are open to the public.

Towns Fund Guidance at 5.5 states: *Take into account all the guidance in this document and the prospectus, including clean growth, community engagement, mitigating against Covid-19 related challenges, etc. You should set out how each aspect is relevant to your context rather than feel you have to take everything on board as a blueprint.*

An Interim Projects Technical & Delivery Advisor produced a Project Maturity Assessment in March 2023 to help determine where major project framework maturity currently stands, where the Authority aspires to be in terms of the standards it is aiming to achieve and how it intends to achieve it. An Improvement Plan is being drafted which will assist the Authority in raising the standards of projects.

External consultants were used for the verification of the Green Book five case business model development for the projects under the Town Deal.

The KLTDPB receives a regular monthly report detailing the progress of each TD project. The progress of each TD project is discussed at each TDB board meeting and recorded in the minutes.

At each meeting of the KLTDPB, the Corporate Performance Manager presents the Programme Risk Register to the Board, which details those risks relating to the TD Programme as a whole, rather than those risks which are specific to each project.

Executive Summary – KLWN2209 Accounts Receivable

Our Assurance Opinion: Reasonable			
No. of Recommendations & Priorities			
High	Medium	Low	Total
0	2	6	8

Overall Objective and System Background

Accounts Receivable is a key financial system which feeds into the Internal Audit Opinion and the Statement of Accounts and as such requires regular review to confirm the adequacy and effectiveness of controls.

The overall objective of the audit is to ensure the robustness of the Accounts Receivable system for the raising of debtor invoices, that invoices are raised accurately and in a timely manner for goods and services provided by the Authority, that payments received are accurately recorded and banked in full, and that debts are monitored and reported upon in a timely manner.

The previous Internal Audit review of the Accounts Receivable system was undertaken during 2018/19, with the final report, issued in February 2019, giving an overall opinion of Substantial Assurance (equivalent to Reasonable Assurance as per the current assurance levels used).

Summary of Key Control Issues and Risks

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

- Only four of the top 12 write-offs by value for 2022/23 would appear to have been appropriately authorised in accordance with the Authorised Signatories Listing (ASL); one officer is not included on the ASL, two officers are not authorised to write-off debts, and one officer exceeded their write-off limit. Write-off limits are currently being reviewed by the Financial Services Manager (FSM). It is envisaged that write-offs will be included in workflow on Unit4 thereby enabling digital authorisation, with write-offs over a certain amount being forwarded to S151 Officer for sign-off as well. Risk: *Inappropriate / fraudulent write-offs made leading to loss of income.*
- Debt write-offs are not reported to senior management; this is currently being considered and the FSM is reviewing the kind of information which could be included in the report. Risk: *Inappropriate / fraudulent write-offs made leading to loss of income.*

Summary of Key Recommendations

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

- It should be ensured that debt write-offs are appropriately authorised in accordance with the ASL. The Group Accountant should collate the reason for the debts and for the write-offs for presentation to the FSM for retrospective consideration resulting either in approval or re-instatement of the debt.
- Debt write-offs should be regularly reported to senior management; they should include the name of the debtor, reason for write-off, age of debt, amount written-off and recovery action undertaken.

A total of six **Low** priority recommendations have been raised as follows:

- The Financial Regulations and/or local procedure notes regarding the raising of sales orders/invoices should be amended to specify a minimum financial value at which an invoice should be raised. Where low value invoices are raised, more cost efficient ways of processing should be examined, such as the potential for collating low value invoices and invoicing such customers less frequently.
- Local procedure notes should be enhanced so that they detail the types of controls that are in place and guidance to officers on what needs to be done to adhere to Financial Regulations.
- The Authority should compile a Corporate Debt Policy to provide guidance to staff and customers as to how the Council collects debts owed to it and the stages that are gone through to do this, how customers can contact the Council for advice, and sources of independent advice.
- Consideration should be given to compiling local procedural notes detailing the overall processes involved in the collection and banking of income, and the need to adhere to Financial Regulations.
- The Financial Regulations and/or local procedure notes should be updated to detail the process for the monitoring and reporting of debts, and the frequency of reporting to appropriate groups/committees.
- Consideration should be given to benchmarking the Authority's debt collection performance against other Local Authorities, with the results used to improve debt collection performance.

Other Points to Note

The following recommendation was raised within the 2022/23 Income Report and is relevant to this audit. There are a number of outstanding payments in the Suspense Account which have yet to be cleared. As at 11/01/23, there were 50 outstanding payments relating to 2022/23 totalling £178,380. In addition, there are 74 payments relating to 2021/22 which have still to be cleared. *Risk: Not all income received is accounted for.*

- **Income – Recommendation Number 4** - The Direct Credits Suspense Clearing Report should be regularly reviewed and updated with details of what actions / investigations are being undertaken to clear the items. Due by dates should be applied to the clearing of the items, and if not cleared, an escalation process needs to be implemented.

A former Assistant Director (AD) was recorded on the Authorised Signatory Listing (ASL), with an authorisation limit of up to £1M and approval of debts for write-off of up to £5k. The officer left the Authority in January/February 2022. Internal Audit informed the Finance Officer and recommended that the listing be updated; the Finance Officer confirmed that the ASL report should have been updated to show the new AD Health, Wellbeing & Public Protection; the Finance Officer updated the ASL accordingly. It was noted that the new AD was recorded on the signing mandate as the authorising officer.

Good Practice Points to Note

- Only those officers within the Accounts Receivable (AR) Team can suppress

reminder notices, and amend, write-off and cancel debts; none of the officers within the AR Team have any income collection duties.

- Debtor invoices are raised in a prompt and timely manner.
- There are a number of payment methods available to customers to enable them to pay the debt.
- Credit Notes are required to be authorised by the appropriate cost centre authoriser prior to being issued.
- Appropriate separation of duties exists between raising invoices, income collection and the writing-off of debts.
- Reminders are sent out within specified timescales.
- Prompt and effective recovery action is taken, including the use of an external debt collection agency.
- Debtors reports show actual debt levels split between planned and non-planned debt, aged debt analysis and trend analysis over previous months.
- Power Bi debtor reports are currently being developed to analyse and report on aged debts.

Executive Summary – KLWN2217 Economic Growth

Our Assurance Opinion: SUBSTANTIAL

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 that adequate progress has been made regarding the Council's objectives relating to local employment and skills and attracting investment to the Borough.</p> <p>The progress of the individual objectives is monitored through a quarterly report of Key Performance Indicators (KPI's) to the Corporate Performance Panel. The Corporate Risk Register (CRR) lists SR3 - Facilitating and enabling growth within the new rationalised strategic and corporate risk. During the Business Planning and Performance Management audit undertaken in November 2022, this risk had been proposed as having a major impact and an almost certain likelihood of occurrence, resulting in a risk score of 20 which is Very High on the Risk Matrix. This score though has been reduced from a previous score of 25.</p> <p>A previous audit of Regeneration and Economic Development was carried out in October 2021, and a Substantial Assurance (equivalent to Reasonable on our current assurance criteria/matrix) was provided at the time.</p> <p>The Council itself does not have an economic growth strategy, instead it follows the New Anglia Local Enterprise Partnership (NALEP) Economic Strategy which has recently been updated in 2022. The Strategy clearly demonstrates alignment with the six priority areas within the BCKLWN Corporate Business Plan, as shown by the areas highlighted below. However, some of the detail and information contained within the NALEP Strategy is not necessarily related to King's Lynn and West Norfolk, and so therefore the Council could develop a more localised strategy.</p> <p>The NALEP Economic Strategy is the blueprint for how local authorities, businesses large and small, business support organisations, Voluntary Community and Social Enterprise (VCSE) organisations, colleges, universities, independent training providers and the Local Enterprise Partnership (LEP) will work together, aligning relevant actions and investment, to build a cleaner, stronger, and more productive economy where everyone benefits.</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"> The current performance indicators reported to Corporate Performance Panel (CPP) do not appear to include information related to economic growth across the borough. There are indicators relating to industrial property, and rent arrears, planning applications and delivery of new homes but nothing specifically related to economic growth. <p><i>Risk</i> <i>Management and Members are not fully informed of Economic Growth performance indicators, as some indicators are located in a separate priority section of the CPP report.</i></p>

- Land and Property acquisitions are largely done on an individual/project specific requirement basis, as there is not a specific economic growth strategy in place regarding land or property acquisitions.

Some acquisitions are made in the knowledge that there may not be a financial return on the investment for many years.

Risk: Without an overarching Economic Strategy, land and property acquisitions may not fully consider the required infrastructure and financial cash flow implications before purchase.

- The Project Board Terms of Reference states in Remit 7 that “To ensure that all relevant project documents are stored on the West Winch Growth Area site, on Insite (the Council’s intranet)”. However, the Democratic Services Officer has stated that Mod.gov is used to put the documents together and they are not published on either the intranet or internet.

When asked how the documents were available for viewing, the Housing Strategy Officer confirmed that internal documents are stored on the departmental F: drive and Teams. The Housing Strategy Officer also said that document storage would be discussed at Board level and in light of the new project management system currently being implemented.

Risk: Project Board is not adhering to its own Terms of Reference and documents are not as available as expected.

Summary of Key Recommendations

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

- Consider including performance indicators that relate to Economic Growth, which are currently reported within other sections of the CPP report, to also be included within the relevant priority section of the CPP Report. This would enable all areas of Economic Growth performance to be viewed in one place.
- Consider the creation of an Economic Growth Strategy, that would align the proposed strategic land and property acquisitions to an overall objective(s).
- The West Winch Growth Area Officer Project Board should comply with its own Terms of Reference (re: Remit Number 7) and ensure that all relevant project documents are stored on the West Winch Growth Area site, on Insite (the Council’s intranet).

Other Points To Note

- The following advisory point was raised during the Project Management Framework position statement and is relevant to findings raised within this audit;

- There does not appear to be a formal and consistent approach to appraising land and property acquisitions, to enable acquisitions and long-term projects to be assessed on their value for money and socio-economic benefits.
- **Project Management Framework – Action. 7**
When considering future projects there should be a more robust assessment and approach to Value for Money, and decision-making processes.
- When discussing queries related to Named Officers or Job Titles within documents with the Housing Strategy Officer, this has been taken on board and Terms of Reference documents will be amended at Project Board Level.

Executive Summary – KLWN22 Software Licenses

Our Assurance Opinion: SUBSTANTIAL

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

Overall Objective and System Background
<p>The overall objective of the audit is to gain assurance of the adequacy of the software management within the Council and the renewal process for the various software licences. The area of Software Licences has not previously been audited.</p> <p>There are various risks that have been identified in connection to ICT on the Corporate Risk Register (CRR). The main risk identified is Data Management and Security (SR6). ICT is also mentioned within risks related to Continuity of service (SR5) and Reputation Management (SR8).</p> <p>The risk of Data Management (SR6) includes the deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation. This area has been audited within ICT Disaster Recovery in May 2022, Cyber Security in 2021 and an external assurance report on Cyber Security which will be published later this year.</p> <p>The Microsoft Enterprise Agreement is a volume licensing agreement, designed to offer best value to organisations with over 500 users or devices. As well as licensing the products and services already in use, the Enterprise Agreement gives immediate access to the latest technology releases, software updates and patches.</p> <p>Microsoft products provide the backbone for the ICT infrastructure at the Borough Council, providing a suite of services including:</p> <ul style="list-style-type: none"> • Audio and video conferencing (e.g., Teams) • Office software (e.g., PowerPoint, Word, Excel, Outlook.) • Intranet and file sharing • Cloud services and storage (OneDrive) • Email cloud services • Windows Enterprise server and client operating systems • User accounts and access • Database servers for our business applications • Operating system deployment/PC imaging • Remote access services • Multi-factor authentication for externally hosted applications • Disk encryption • Mobile device management

Points to Note
<ul style="list-style-type: none"> • Where procurement of software contracts was unable to follow the usual renewal process, an alternative procurement route was followed to ensure continuity of

service for the Council.

- Due diligence exercises were undertaken prior to licence renewals to ensure the Council were only charged for licences required.
- The previous Microsoft agreement in October 2019 provided a saving of circa £70,000 to the Council, whilst at the same time having several benefits such as enabling homeworking possibilities, which proved extremely useful during the COVID19 pandemic allowing the Council to continue delivering essential services.
- Licences are managed effectively by the System Administrators responsible, with all licences tested having effective ways of reporting and resolving issues when they arise.
- Licence renewals are managed and monitored effectively to ensure continuity of service.
- The use of Software Centre is enabling ICT to ensure the software in use is compatible with the current machines, and that officers and members can only access relevant software dependent upon their role(s).

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	7 August 2023		
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

Contents

<i>1. INTRODUCTION</i>	<i>2</i>
<i>2. STATUS OF RECOMMENDATIONS</i>	<i>2</i>
<i>APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS</i>	<i>3</i>
<i>APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2018/19</i>	<i>5</i>
<i>APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2019/20</i>	<i>6</i>
<i>APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2020/21</i>	<i>8</i>
<i>APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2021/22</i>	<i>9</i>
<i>APPENDIX 6 - OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2022/23</i>	<i>13</i>

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 An exercise has again 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 where completion has been confirmed.
- 2.3 Considerable progress has been demonstrated with a total of 59 recommendations being closed since 10 November 2022. This report now contains a total of 51 outstanding internal audit recommendations (six high, 27 medium and 18 low). A further 54 recommendations are not yet due for implementation.
- 2.4 **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.
- 2.5 **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.
- 2.6 Progress on outstanding internal audit recommendations will continue to be reported to Management Team and the Audit Committee on a bi-annual basis.

APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Closed from 9 November 2022 to 30 May 2023			Outstanding			Total Outstanding	Not Yet Due		
			High	Medium	Low	High	Medium	Low		High	Medium	Low
Audit Ref	Audit Area	Assurance Level										
2018/19 Internal Audit Reviews												
18/19.14	Waste & Recycling	Substantial		1				0				
18/19.7	Vehicle Fleet	Substantial		2			1	1				
18/19.8	General Data Protection Regulations 2016 & Data Protection Act 2018	Substantial					2	2				
2019/20 Internal Audit Reviews												
19/20.2	Anti-Fraud, Bribery & Corruption	Substantial		1				0				
19/20.1	Annual Governance Statement	Substantial					1	1				
19/20.8	Car Parking & Civil Enforcement	Substantial		2			1	1				
19/20.5	Careline	Substantial		1			4	4				
19/20.7	Alive West Norfolk - Governance	Substantial	1	1				0				
19/20.3	Whistleblowing Arrangements	Substantial						1	1			
N/A	Personal Identifier & Financial Relationship	Substantial		1				0				
18/19.3	Child Protection	Substantial	1					0				
19/20.4	Council Offices & Sites	Substantial					2	2				
19/20.12	Planning Support	Substantial					2	2				
19/20.6	ICT - Document Management	Substantial		2				0				
2020/21 Internal Audit Reviews												
	ICT - Cyber Security	Substantial					1	1				

100

			Closed from 9 November 2022 to 30 May 2023			Outstanding			Total Outstanding	Not Yet Due		
Audit Ref	Audit Area	Assurance Level	High	Medium	Low	High	Medium	Low		High	Medium	Low
2021/22 Internal Audit Reviews												
21/22.10	Emergency Planning & Management	Reasonable		1			1		1			
	Regeneration & Economic Development	Substantial		2			2		2			
21/22.9	Alive West Norfolk	Limited				2	1	3	6			
CO9	Financial Governance & Budgetary Control	Reasonable					1	3	4			
20/21.1	Policies	Reasonable		2	4		2	2	4			
21/22.8	Data Sharing Arrangements/Information Legislation	Substantial					2		2			
CO1	CTAX & NNDR	Reasonable			2				0			
21/22.14	Licensing	Substantial			1			1	1			
	Disaster Recovery	Reasonable		2	3		1		1			
CO2	Accounts Payable	Reasonable			1			3	3			
	Food Hygiene, Health and Safety & Public Health	Substantial			2			1	1			
	Waste Management Contract	Limited	1	3			1		1			
	Capital Programme	Limited	1			4			4			
	Housing Standards	Reasonable		2	2			1	1			
CO3	Financial Management Systems	Reasonable			1				0			
20/21.16	Planning Enforcement	Substantial		1			1	1	2			
2022/23 Internal Audit Reviews												
KLWN2219	Business Continuity	Reasonable		1	6		1	1	2			
KLWN2211	Accountancy Services	Reasonable							0	4	4	
KLWN2215	Anti-Social Behaviour	Substantial							0		4	
KLWN2205	Business Planning and Performance Management	Reasonable							0	3		
KLWN2209	Accounts Receivable	Reasonable							0	2	6	
KLWN2213	Environmental Protection	Reasonable							0	1	7	
KLWN2210	Income	Reasonable							0	4	1	
KLWN2217	Economic Growth	Substantial							0		3	
KLWN2202	Key Controls and Assurance	Substantial							0		2	
KLWN2216	Towns Fund	Reasonable		1	7				0		1	
KLWN2208	Procurement and Contract Management	Limited							0	1	7	4
KLWN2209	Corporate Health and Safety	Substantial						1	1			
TOTALS			4	26	29	6	27	18	51	1	21	32

APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2018/19

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Vehicle Fleet	All applicable vehicles should be correctly recorded within Technology Forge.	Medium	AD Operations & Commercial	31/12/2020	30/11/2023	Outstanding	It is expected that Technology Forge will move over in the next 6 months barring any issues with year end and external audits. This will address the recommendation.
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	Assistant to the Chief Executive	31/12/2019	30/09/2023	Outstanding	The policy has been updated, however has not yet gone to Cabinet for final approval. This will be scheduled imminently.
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	Assistant to the Chief Executive	31/12/2019	31/12/2023	Outstanding	As above.

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2019/20

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
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	31/08/2023	Outstanding	2019/20 AGS will be reported to Audit Committee in June 2023. This will then be uploaded onto the website.
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	Unassigned	31/03/2021	N/A	Outstanding	Awaiting update.
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	31/08/2023	Outstanding	New software implementation is due for September 2023. Considerations will take place to decide who will process these requests going forward.
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	31/08/2023	Outstanding	One visiting officer continues to partially work electronically, and one does not. This is due to CCSS not being fit for purpose - at this stage visiting officers cannot change their working methods. A new system is currently being implemented which will enable web-based access on iPads.
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	31/08/2023	Outstanding	CCSS does not allow this. Currently exploring whether it will be possible to do this on Charity Log.

Audit Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
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	31/08/2023	Outstanding	A new system (as stated above) is currently being implemented which will enable web-based access on iPads. Currently working on a web-based application with a view this could either be completed by customers or installers. This would override what we have in place currently.
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"> • What works are required to be carried out; • Who will be carrying out the works; • When the works are expected to start and finish; and • The expected cost of the works (if not already included within a contractual arrangement) 	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 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 Area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
							audit and re-visit after the migration project.
Planning Support	<p>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.</p> <p>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.</p>	Medium	AD Environment and Planning	31/03/2022	31/12/2023	Outstanding	As above.

105

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	30/08/2023	Outstanding	Proposed email to be brought to ICT Development Group for agreement after the May elections.

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	31/01/2024	Outstanding	This is progressing and discussions are ongoing – a report has been presented to management team, and they have agreed it needs to be explored.
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	30/08/2023	Outstanding	The Visitor Economy work has progressed and is likely to be concluded in July. This will feed into the wider Economic Growth Strategy. Some of the economic analysis undertaken in 2022 to complete the West Norfolk Investment Plan will be useful, as will the King's Lynn Town Investment Plan, however, there will need to be more detailed place-based work on appropriate interventions and regeneration ambitions.
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	30/08/2023	Outstanding	As above.
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	31/08/2023	Outstanding	Discussions are in place for setting up the process. A new resource has recently started who will be able to take this on board.
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	31/08/2023	Outstanding	No SLAs currently in place between the Council and Alive West Norfolk. Awaiting draft SLAs from the Council for agreement around KPIs.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Alive West Norfolk	<p>Responsible officers from finance and AWN to consider the fees and charges going forward, with a view to amending these to the appropriate values.</p> <p>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.</p> <p>The financial budgets should be amended and reflect actual, and agreed, costs rather than expected costs.</p>	High	MD Alive West Norfolk	30/09/2022	31/08/2023	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	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	31/08/2023	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	30/09/2023	Outstanding	This will be tied into a review of the Financial Regulations.
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	Assistant to the Chief Executive	30/06/2022	31/12/2023	Outstanding	Currently in the process of putting together a document/central record with any DSAs that are current. When they are due to expire, notification would be sent and updated.
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	Assistant to the Chief Executive	30/06/2022	30/09/2023	Outstanding	Policy updated and will be taken to Cabinet soon for approval.
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	30/09/2023	Outstanding	Currently engaging with external providers of professional services, to provide a healthcheck of current arrangements. DR test plan will be produced following this. Employed Fordway Solutions Ltd. to review and add documentation of DR arrangements.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
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	31/10/2023	Outstanding	This is being worked through with the contractor.
Policies	All policies should be held centrally within one corporate index of policies. This would make it easier to monitor and update policies, ensuring they remain current and effective. A central repository would also make it easier for officers and Members to locate a particular policy.	Medium	AD Central Services	31/12/2022	31/12/2023	Outstanding	Review completed and recommendations reported to Management Team (September 22). Work on central repository commenced prior to Policy Officer going on maternity leave and is currently on hold pending a review of the policy function.
Policies	All policies should go through the prescribed approval process in accordance with the Policy Guidelines prior to publication. All Tier 1 corporate policies should be approved by Cabinet. Once approved, the date approved should be stated on the policy.	Medium	AD Central Services	31/12/2022	31/12/2023	Outstanding	Review of Tier 1 policies completed and reported to Management Team (September 22). Schedule for review of Tier 1 policies compiled. Further work on hold due to Policy Officer's maternity leave and pending review of policy function due to be completed summer 23.
Capital Programme	The governance 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.	High	AD Resources	30/09/2022	31/12/2023	Outstanding	For Major Projects a process is being developed as per the IA of Project Management Framework for Dec 2023. In the meantime, finance are reviewing their Capital Programme tracking data and will look to include the key elements required by this recommendation, which should be available from Committee papers or project managers. For operational projects, a data capture form will be used to collate succinctly the key data. All to be in place and evidence for Dec 2023.
Capital Programme	Consider creating a suite of documents to enable a complete and fully informed decision-making process. The suite of documents should include the following: - <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • A Flowchart of the proposal through to 	High	AD Property and Projects	30/09/2022	N/A	Outstanding	This recommendation, along with the rest of the Capital Programme recommendations, will be followed up as part of the 2023/24 Capital Programme audit.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	<p>project closure cycle would be helpful to be 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.</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> o allow a record to be kept of all projects currently being undertaken; o allow statistics to be produced on project information; o enable officers to easily identify the current status, and work undertaken, of a project; o 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. 						
Capital Programme	<p>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 (OMP) 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.</p>	High	AD Property and Projects	30/11/2022	N/A	Outstanding	This recommendation, along with the rest of the Capital Programme recommendations, will be followed up as part of the 2023/24 Capital Programme audit.
Capital Programme	<p>To use the Business Case documentation submitted within the Town Investment Plan (TIP) as a basis, to ensure that all major projects are documented in a consistent manner. The documentation used for the projects within the Town Investment Plan (TIP),</p>	High	AD Property and Projects	30/11/2022	N/A	Outstanding	This recommendation, along with the rest of the Capital Programme recommendations, will be followed up as part of the 2023/24 Capital Programme audit.

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	and subsequently submitted to Central Government as Business Cases, uses consistent headings that include: - <ul style="list-style-type: none"> • Objectives; • Aims; • Scope; • Financial implications, including revenue costs and future costs (resource and maintenance costs); • Resource requirements; and • Risk Registers. 						

APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2022/23

Audit area	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
Business Continuity	<p>Review whether the BC Portal is the appropriate way to disseminate the information of a BC Incident to officers and members.</p> <p>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.</p>	Medium	AD Environment and Planning	31/12/2022	31/12/2023	Outstanding	On hold pending information from Web Team. The role of the BC portal will be reviewed once the intranet improvements have been made.

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	07/08/23		
TITLE:	Annual Fraud & Error Progress Report 2022-23		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	Cllr Morley, Finance		
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:

This report is aimed to provide the following in respect of the period April 2022 to March 2023 for areas such as Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arises:

- 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.
- A look forward to 2023/24 anti-fraud and anti-corruption related activities.

KEY ISSUES:

Section 5 of the Anti-Fraud & 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.

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.

The attached report is presented to show performance against the Anti-Fraud & 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 & Corruption Policy and the Fighting Fraud & 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 & anti-corruption culture across the authority.

OPTIONS CONSIDERED:

Not applicable

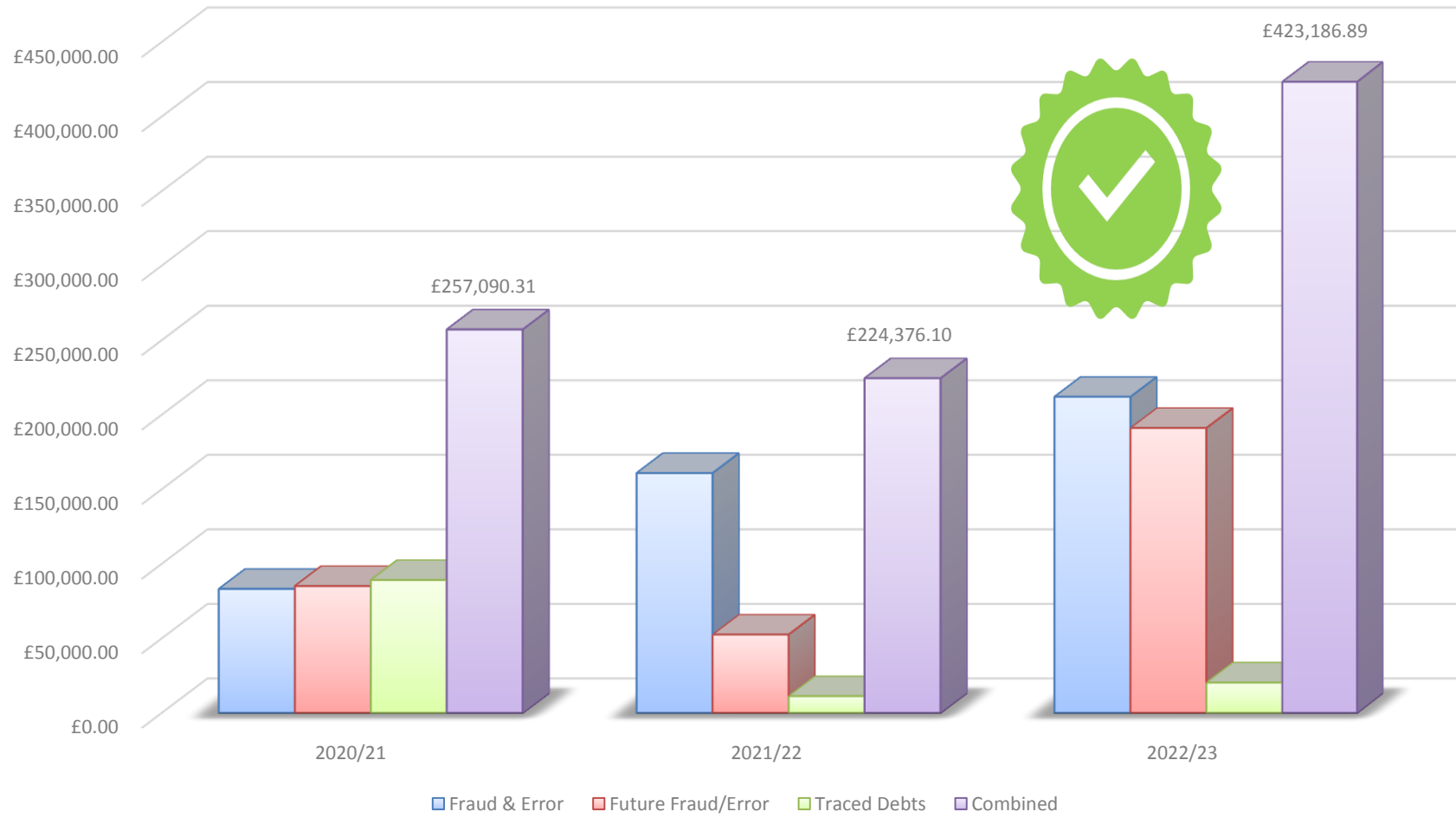
RECOMMENDATIONS:

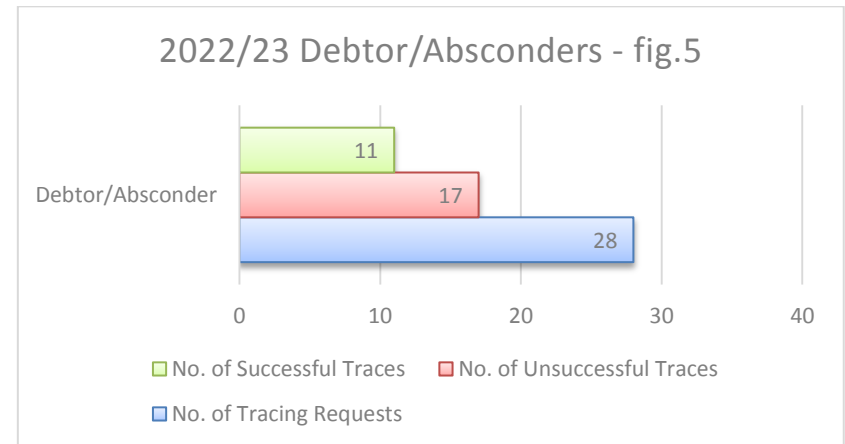
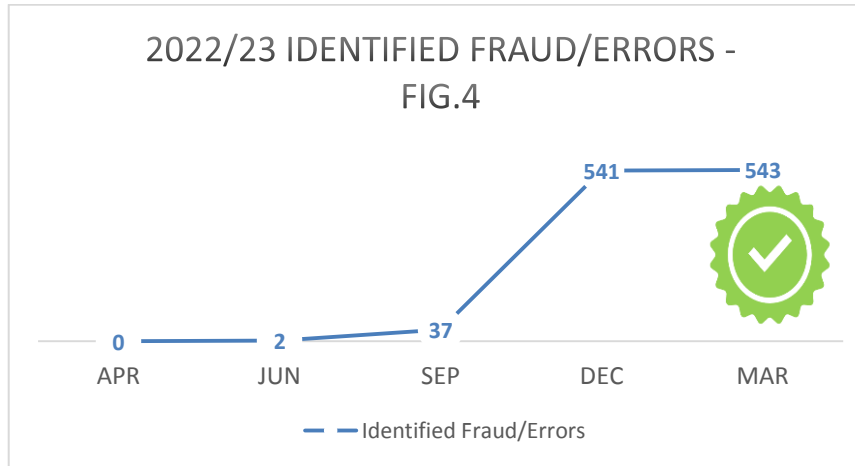
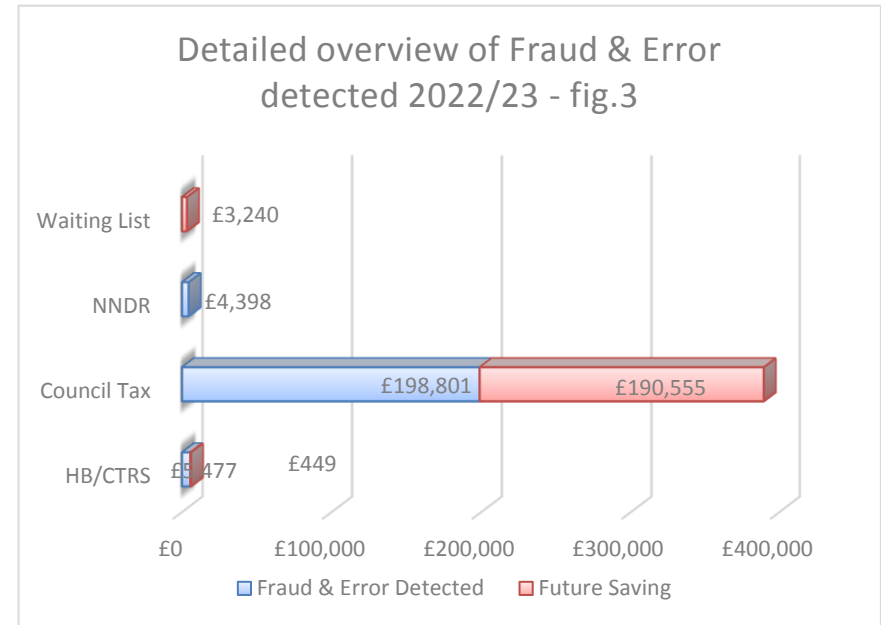
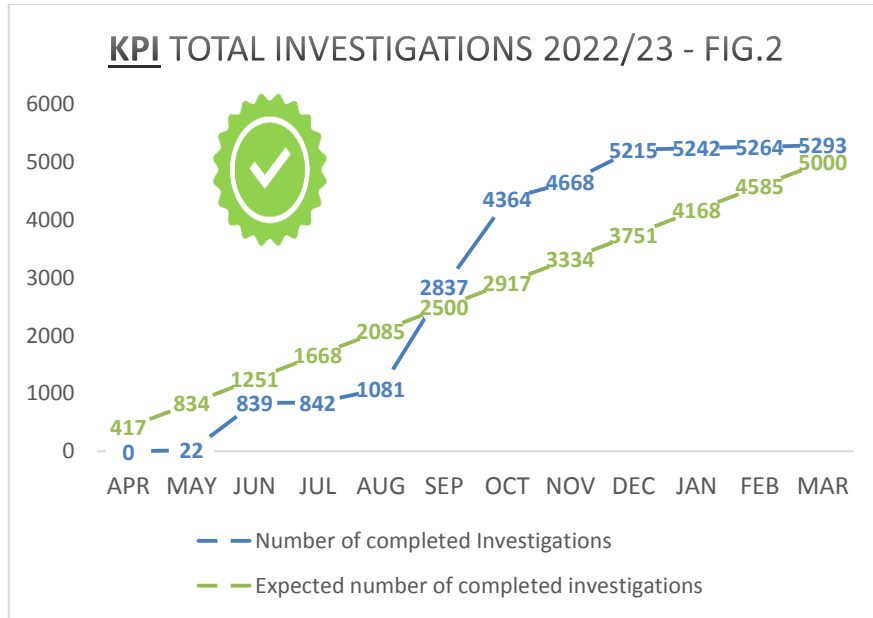
Members are asked to note the update of the anti-fraud & anti-corruption work.

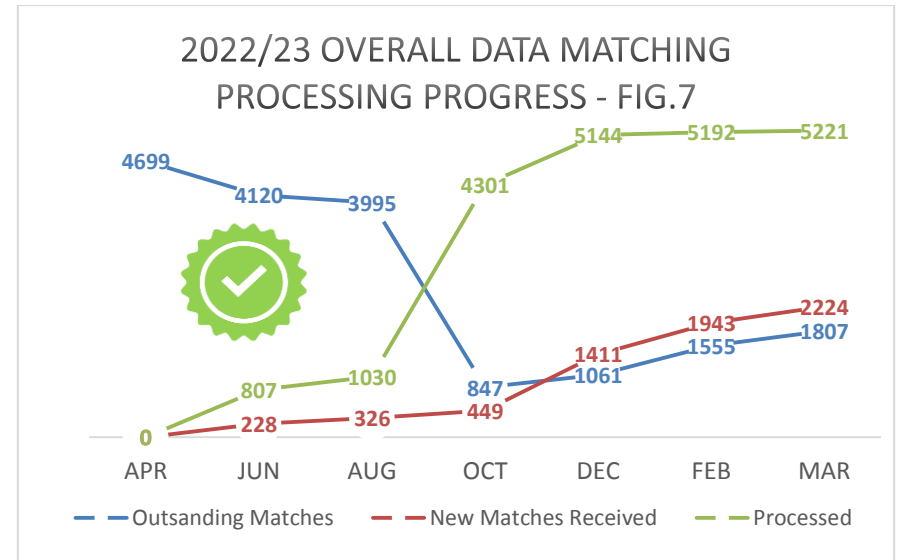
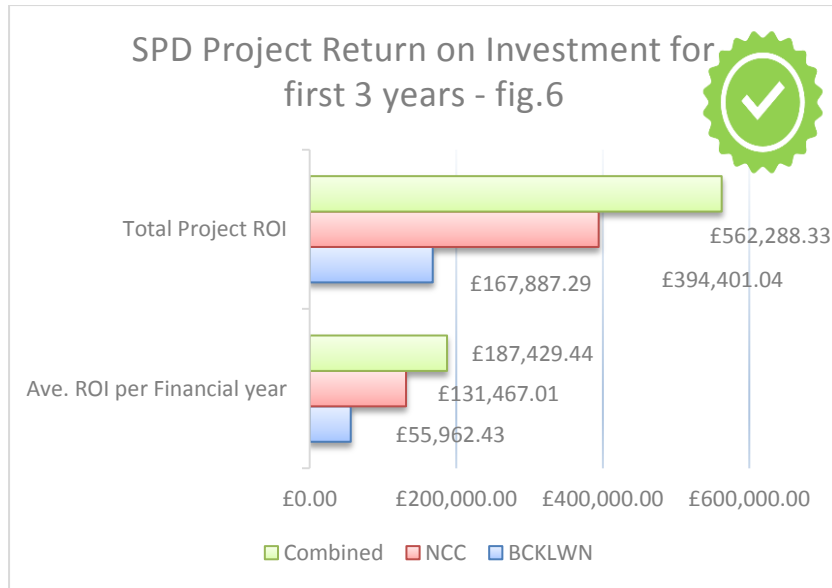
REASONS FOR RECOMMENDATIONS:

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 & Error Comparison to previous financial years - fig.1







Annual Fraud & Error Progress Report 2022/23

1. Report overview

1.1 This report is aimed to provide the following in respect of the period April 2022 to March 2023:

- Progress towards the Anti-Fraud & Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department.
 - Including the areas of coverage which are mainly Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arises.
- 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 undertaken by the Revenues Assurance Team.
- Statistical information in respect of data matching activities undertaken through the National Fraud Initiative (NFI) and Norfolk Fraud Hub.
- A look forward to 2023/24 anti-fraud and anti-corruption related activities.

2. **Key Performance Indicators**

2.1 As part of the Directorate Service Plan for Resources the following Key Performance Indicators were 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. **KPI - Financial Investigation Provision**

3.1 Financial Investigations are a specialist area (as outlined in the half year report presented in November 2022). To date contact has been made with 4 organisations that have been identified as having an in-house financial investigation provision locally (Norfolk County Council, Cambridgeshire City Council, East Suffolk Borough Council and Peterborough City Council). 3 organisations have advised that they have no capacity to provide a provision. Having made enquiries (including with the other 5 district authorities within the Norfolk Fraud Hub membership), I am not aware of any other organisations locally who have such provisions. Further discussions have been held with Peterborough City Council around the potential for provisions to be put in place. Once details have been provided on the terms and conditions and confirmation that they have capacity to provide such a provision a briefing paper is to be presented to Management Team on this that includes the following options:

- To approve the exploration and procurement of corporate training regarding Proceeds of Crime, Money Laundering and Financial Investigations.
- To approve the negotiation and agreement of a financial investigation provision with Peterborough City Council.
- To do nothing and accept the current risks associated to not having any provision.

3.2 Financial investigation 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. **KPI – Completed fraud/corruption investigations (including data matching exercises)**

4.1 5,293 completed investigations (105.86%) of the expected full year target (**see fig.2**).

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 Compared to 2021/22 the results for 2022/23 have seen a significant increase in volume detection from 201 cases to 543 (**271.50%**), this is largely due to the backlog of data matches which accrued during 2020/21 and 2021/22 because of the covid-19 pandemic. The position has now been recovered. (see fig.4)
- 5.5 The results shown in **fig.1** show a significant increase in value detection when compared against 2021/22. This again can be attributed to the recovery in the backlog of data matches accrued during 2020/21 and 2021/22 because of the covid-19 pandemic.
- 5.6 Total counter fraud related spend during 2022/23 was **£34,051.67**.

6. **Detailed Overview of Fraud/Error Detection**

- 6.1 A total of **543** cases has been identified to the total value of **£402,920.06**. (see fig.3)
- Waiting list – 1 case
 - NNDR – 1 case
 - Council Tax – 502 cases
 - HB / CTRS – 2 cases
 - Other identified errors – 37 cases (see 9.1 below)

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 who are responsible for debt recovery.
- 7.2 A total value of **£20,266.83*** has been traced and passed back to the relevant departments for recovery purposes, **fig.5** outlines the number of traces undertaken and the number of successful traces. **inc. 1 case where 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 and other Local Authorities

- 8.1 **Fig.1** shows the results from investigations during the current year in comparison to the previous two full financial years.
- 8.2 Having liaised with Breckland District Council (BDC) the following information can be compared to the fraud service that is delivered here at the Borough Council of King's Lynn & West Norfolk (BCKLWN):
- 8.3 BCKLWN have 0.5 FTE staffing resource assigned to its entire counter fraud & counter corruption activities, this encompasses the administration, investigation and management of fraud and corruption. BCKLWN investigate Tenancy Fraud commercially on behalf of social housing providers on a case-by-case basis when contact is received from social housing providers, and this is on a paid basis. There is limited resource available for this and there are rare instances of cases being highlighted for investigation. As part of the Norfolk County Council Funding, we have negotiated funding to support 1 FTE Inspection Officer within the Revenues Department which the Internal Audit Fraud Service is able to access to assist with the processing of changes/amendments to Council Tax and Business Rates accounts.
- 8.4 BDC have access to 1 FTE Council Tax Compliance Officer within Anglia Revenues Partnership (ARP). Within this post work is also carried out month by month on new Single Person Discount Awards and these savings are included within their annual Single Person Discount savings records. The new awards are reviewed on a risk basis using additional software systems paid for by Anglia Revenues Partnership. There is 0.5 FTE Fraud Officer dedicated to CTRS (Council Tax Reduction Scheme) Fraud and Investigations within the ARP team for BDC. ARP furthermore have a Fraud Manager and Assistant Fraud Manager which BDC have access to and who manage BDC dedicated Fraud Officer staff. Tenancy fraud is also investigated commercially on behalf of social housing providers within the 0.5 FTE BDC Fraud Officer role. Management of the Visiting Team within ARP also allows for proactive work to be carried out to identify both unregistered domestic properties, annexes, and business. There is 1 FTE Generic Visiting Officer per local authority within ARP responsible for Council Tax inspections, Business Rates Empty Property Inspections and monitoring new build properties. The annual savings records under Business Rates and Council Tax Reflect income generation within the team:

Breckland District Council 2022/23 Totals (fig.8)

LCTS	£48,821.31	
SPD	£273,565.68	
Tenancy Fraud	£93,000.00	
Business Rates	£100,903.44	
Council Tax	£114,480.11	
Band D equivalent (SPD)	280	55.5
Band D equivalent (CT)	45	12.4
Breckland Preceptor	£84,048.09	
TOTAL	£630,770.54	

8.5 Based upon the above Breckland District Council have access to additional staffing resource through the Anglia Revenues Partnership and have had more instances of Tenancy Fraud highlighted to them. Additionally, BDC include information within their reporting which in our arrangements relate to activities undertaken through our Benefits and Revenues Visiting teams which are located within the Revenues Department (i.e., elements of the SPD, Business Rates and Council Tax figures stated above). As such it is difficult to draw comparisons between the two organisations, but in terms of our own service delivery we appear to be providing a value for money service which more than funds its own delivery.

9. **Other Identified Errors**

9.1 **37** 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). These are included within **fig.2** and **fig.4**.

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, **fig.7** outlines the number of new data matches received, the number of processed matches and the number of matches outstanding during the financial year. The results of data matching activities are included in **fig.1**, **fig.2**, **fig.3** and **fig.4**.

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 has now completed year 3 of the project. We have received approval from Norfolk County Council for year 4 (2023/24) for funding of £48,138.30.

11.2 Results from the project to date – *fig.9*

Financial Year	Council Tax Value Identified (£)	Additional Benefit Value Identified (£)
Year 1 (2020/21 financial year)	£130,200.27	£7,785.42
Year 2 (2021/22 financial year)	£129,190.22	£21,448.78
Year 3 (2022/23 financial year)	£386,850.49	£0.00*
TOTAL	£646,240.98	£29,234.20*

**Year 3 additional benefit value not yet calculated*

Fig.10

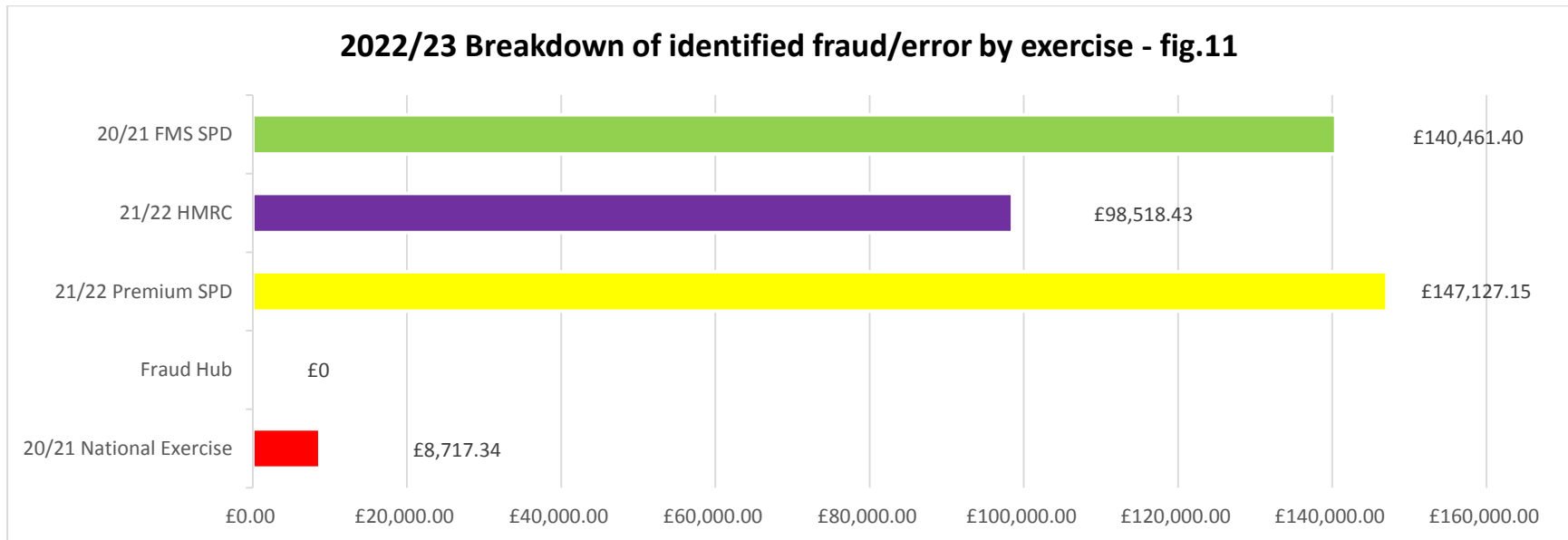
Financial Year	Matches Received	Errors Identified
Year 1 (2020/21 financial year)	4,564	254
Year 2 (2021/22 financial year)	5,856	180
Year 3 (2022/23 financial year)	1,901	532
TOTAL	12,321	966

11.3 The “Return on Investment” from the Single Person Discount project to date for both the Borough Council of King’s Lynn & West Norfolk and the sponsor (Norfolk County Council) is shown in **fig.6**.

12. Overall Data Matching Activities

12.1 A total of 4,699 data matches were carried forward from the 2021/22 financial year, during the financial year a further 2,328 data matches were received, with 5,221 being processed during the year meaning 1,807 have been carried forward to 2023/24 financial year. These matches relate to various data matching reports.

12.2

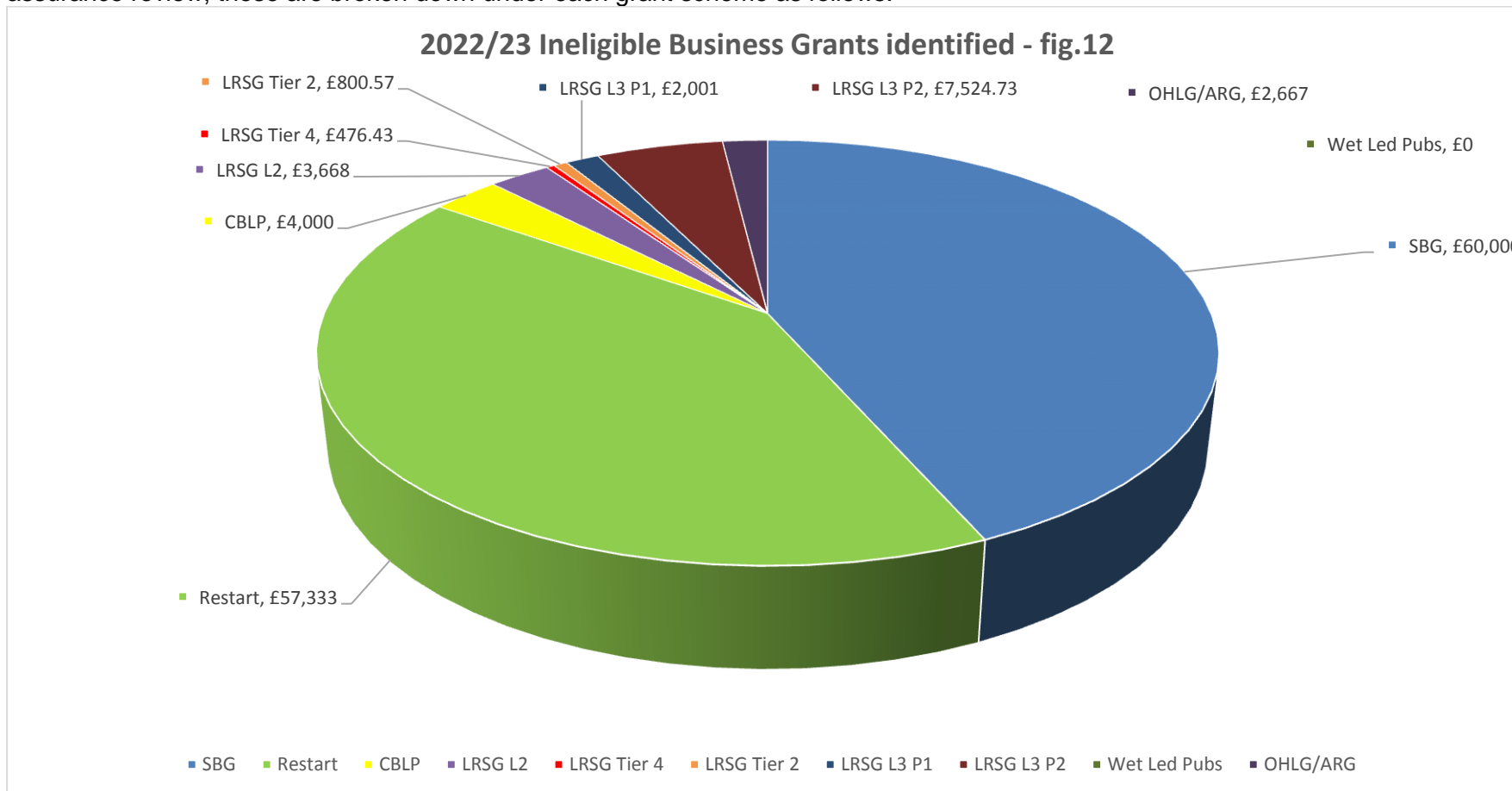


**these figures form part of the total identified fraud/error set out in fig.1 & fig.3.*

13. Covid-19 Business Grants

13.1 The Covid-19 Business Grants schemes have now closed; 18,000 applications were paid out totalling £80.1m by the Council.

13.2 Post assurance of the Covid-19 Business Grant Schemes is undertaken by the Revenues Department. During the 2022/23 financial year 17 businesses have been identified to have received grants totalling **£138,470.73** that they were not eligible for following post assurance review, these are broken down under each grant scheme as follows:

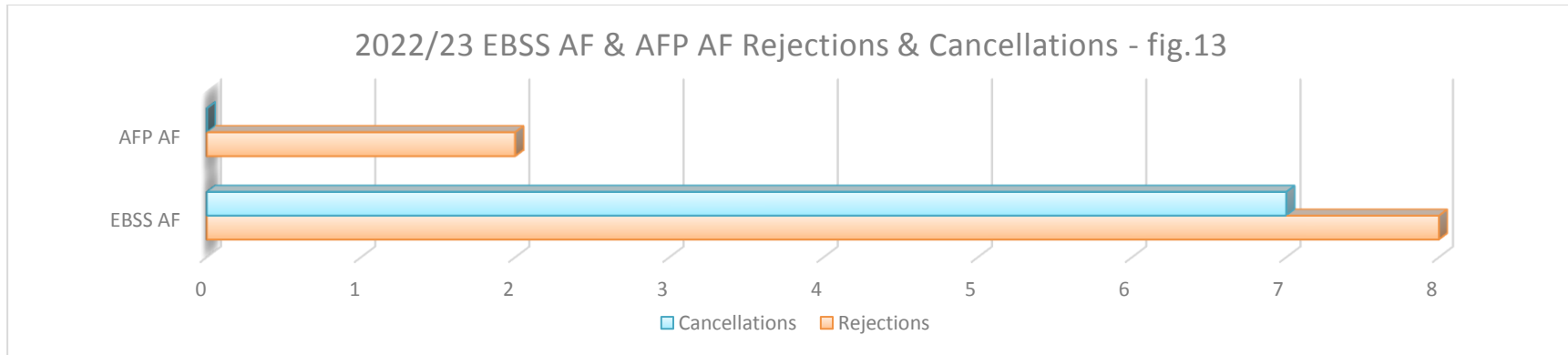


**these figures are not included within the total figures set out in fig.1 to fig.4.*

- 13.3 During the 2022/23 financial year **£46,537.40** has been recovered from the above total from 11 individual businesses. Those who default on the recovery plans in place are forwarded to BEIS for further recovery actions to be carried out. 6 businesses have been referred to BEIS for recovery of grants paid. BEIS take on recovery actions when the local authority have exhausted all their options for recovery.
- 13.4 Overall **22** businesses have been identified to have received grants totalling **£188,470.73** to date since the commencement of all these Business Grant schemes.

14. Other Schemes

- 14.1 Test & Trace Support. This scheme is now closed with 1,360 payments having been made totalling £688,000. These payments were made to workers who had received notifications to self-isolate and as a result had periods of reduced pay from their employment. These customers were required to provide evidence of reduced earnings as part of their applications.
- 14.2 Energy Rebate – This scheme is now closed with 60,000 payments having been made totalling £9.2m. These payments were made based upon our council tax records as at 1st April 2022, with the eligible customers having to have declared the residential address as their main residence from this date. Initially payments were made to those who paid by Direct Debit and then applications received from May 2022 for non-direct debit payers. From September to ensure customers did not miss out on this scheme payments were made direct to customer council tax bills.
- 14.3 Energy Bills Support Scheme (EBSS AF) and Alternative Fuel Payments (AFP AF) – These schemes were still open as of 31st March 2023 and there had been 484 payments made totalling £169,400. These schemes are to support meeting eligible recipients' energy costs. The dwelling must be the customer's main residence, the customer must be responsible for the energy used in the dwelling as part of a service charge, rent or other arrangement and had been impacted by increased energy bill costs passed onto them. They must not have already received Energy Bill Support Payments from the other Energy schemes and the dwelling must not be a business premises or other form of non-domestic premises (except where the main activity of the business is to provide long term residential accommodation (landlords, care homes, etc.)). Below are details of the number of rejected and cancelled applications through these 2 schemes upto 31st March 2023:



15. Anti-Fraud & Anti-Corruption Culture

- 15.1 Fraud awareness e-learning packages have been rolled out to officers in November 2022 and will furthermore form part of members induction training following the May elections. A further Fraud Awareness e-learning package has also been rolled out for managers in November 2022.
- 15.2 An Anti-Fraud & Anti-Corruption communication strategy has been developed and regular staff briefings commenced on 28 September 2022, providing staff with useful information and furthermore details of what anti-fraud tools are available to them.
- 15.3 A new corporate documents folder has been created within the intranet (InSite) for staff to access useful information such as contact details of where and how to report fraud, SCAM alerts, and other information and guidance such as due diligence details, fraud awareness information and document verification tips. This has been highlighted to staff through the staff briefings.

16. Projects/Future pipeline of activities

- 16.1 Following the strategic planning of the internal audit plan 2023/24 a total of 98 days has been allocated to resourcing work relating to anti-fraud and anti-corruption during 2023/24 financial year within the Internal Audit team. This is a similar level to the 2022/23 financial year.
- 16.2 There has been a reduction seen in the number of data matches being returned, this is the picture identified from the main reports we have received in the past:
Fig.14

Report	Matches received last time	Matches received for 2023/24	Difference %
CTAX to Electoral Register	1,409	880	-37.54%
CTAX Rising 18's	75	44	-41.33%
CTAX to Other Data	2,711	2,475	-8.71%
CTAX to HMRC	1,661	TBC	

**Based upon the matches returned to date we can see a reduction in the total number of matches is likely. At this point in time, we have seen an overall reduction in matches of 18.97% over the reports returned for 2023/24 to date.*

- 125
- 16.3 The Norfolk Fraud Hub has reconvened, and a quarterly schedule of data uploads has been established which commenced at the end of April 2023, this will therefore hopefully encourage additional workload and results from this area. 729 matches were received during 2022/23 financial year, but because of this we expect the number matches in this area to increase.
- 16.4 Data matches have been received in late 2022/23 for the bi-annual National Fraud Initiative exercise (675 matches had been received as at the end of March 2023, 693 were received in the 2020/21 exercise).
- 16.5 The proposed extension of the legislative data matching powers that NFI (the Cabinet Office's National Fraud Initiative) uses to permit matching to:
- Assist in the prevention and detection of crime (other than fraud)
 - Assist in the apprehension and prosecution of offenders
 - Assist in prevention and detection of errors and inaccuracies
 - **Assist in the recovery of debt owing to public bodies**

These new powers can be included in schedule 9 of the Local Audit and Accountability Act 2014 via an affirmative statutory instrument, passed by both the House of Commons and the House of Lords. However, these plans have been suspended by Ministers currently, presumably due to the cost-of-living crisis.

- 16.6 Efforts are being made to re-engage with the Department for Work & Pensions (DWP) Fraud Service during 2023/24, there has been a breakdown in contact received from DWP since the beginning of the Covid-19 lockdown. As such efforts will be made to try and identify the challenges with stakeholder engagement between the Fraud Service delivered within the Internal Audit team and the Fraud Service delivered locally by the DWP.

- 16.7 Efforts will be continued to be made to establish a Financial Investigation provision for the Council.
- 16.8 As part of further work relating to anti-fraud and anti-corruption culture across the organisation work will be undertaken to engage with departments and service areas to help provide advice and gateways to access information that can assist them in the prevention of fraud and corruption, such as the promotion of tools and services available to us through the National Fraud Initiative and National Anti-Fraud Network.
- 16.9 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.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	7 August 2023		
TITLE:	Meeting Arrangements		
TYPE OF REPORT:	Operational		
PORTFOLIO(S):	Leader – Councillor Parish		
REPORT AUTHOR:	Wendy Vincent, Democratic Services Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>At the Council meeting on 13th July 2023, Council considered Council Meeting Arrangements and the start time for meetings.</p> <p>The Committee is invited to consider the outcomes of the Council meeting and any impact/decisions that the Committee may need to take with regard to start times for the meeting.</p> <p>The Council report can be accessed at Agenda for Council on Thursday, 13th July, 2023, 4.30 pm (west-norfolk.gov.uk)</p>
RECOMMENDATIONS:
To respond to the decisions taken by Council at its meeting on 13 th July 2023 (if required).
REASONS FOR RECOMMENDATIONS:
To respond to the Motion to Council on 23 February 2022 and arrangements for Council meetings.

FORWARD DECISIONS LIST

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
1 August 2023	West Winch Collaboration Agreement	Key	Cabinet	Development and Regeneration Exec Dir – G Hall		Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Staff Pay Award 2023/24	Key	Council	Leader Asst Dir – B Box		Public
	Revenue Outturn 2022/23	Key	Council	Finance Asst Dir – Resources		Public
128	Capital Outturn 2022/23	Key	Council	Finance Asst Dir – Resources		Public
	Council Tax Support – Draft Scheme for 2024/25	Key	Cabinet	Finance Asst Dir – Resources		Public
	Continuation of the Borough Council as part of the CNC Building Control Partnership	Non	Cabinet	Regeneration and Development Asst Dir S Ashworth		Public
	Appointment of representatives to inquorate parishes	Non	Council	Leader Chief Executive		Public
	Local Authority Housing Fund - Round 2	Key		People & Communities Asst Director – D Hall		Public
	Cabinet Task Groups	Non	Cabinet	Chief Executive		Public

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
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26 September 2023	Overnight Campervan parking in Hunstanton	Non	Cabinet	Leader Asst Director – M Chisholm		Public
	5 Year Mart Agreement	Non	Cabinet	Tourism Events & Marketing Exec Dir – G Hall		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
129	King's Lynn Town Football Club	Non	Cabinet	Property Asst Dir – M Henry		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		Public
	Members Allowances	Key	Council	Leader Monitoring Officer		Public
	Southend Road Hunstanton	Key	Cabinet	Regeneration & Development Asst Dir – D Ousby		Public
	Alive West Norfolk Fees and Charges	Non	Cabinet	Tourism Events & Marketing Alive West Norfolk		Public
	Assets of Community Value	Non	Council	Property and Corporate Services Monitoring Officer		Public
	Asset Management Land and Property – Nar Ouse Regeneration Area – Land Sale	Key	Cabinet	Property Asst Dir – M Henry		Private- Contains exempt Information under para 3 – information relating to the

						business affairs of any person (including the authority)
	Update to various Housing Standard Policies to reflect procedural changes, best practice, case law and statutory guidance etc	Non	Cabinet	People and Communities Assistant Director – Mark Whitmore		Public

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
31 October 2023						
	Corporate Business Plan	Key	Cabinet	Leader Chief Executive		Public
130	People and Skills	Non	Cabinet	Business Asst Director – D Hall		Public
	Care and Repair Contract	Key	Cabinet	People and Communities Asst Dir – M Whitmore		Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Parkway Tenure	Non	Council	Assistant Director – D Ousby		

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
5 December 2023						

	Council Tax Support Scheme – Final Scheme 2024/25	Key	Council	Finance Asst Director – Resources		Public
	Care and Repair Contract		Cabinet			

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
15 January 2024						
131	West Norfolk Shared Prosperity Funding update	Key	Cabinet	Business Asst Director – D Hall		Part Public Part Private Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)

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
6 February 2024						
	St George's Guildhall RIBA Stage 3 and project scope	Key	Cabinet	Regeneration & Development Asst Dir		Public
	Capital Programme	Key	Council	Finance Asst Director – Resources		Public
	Budget 2024/25	Key	Council	Finance Asst Director – Resources		Public

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
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5 March 2024						
	Review of Outside Bodies	Non	Cabinet and Council	Leader		Public

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
23 April 2024						

Items to be scheduled

	Notice of Motion 7-21 – Councillor Kemp – Equalities	Non	Council	People & Communities Asst Dir B Box		Public
	Procurement Strategy	Non	Cabinet	Finance Asst Dir – D Ousby		Public
132	Review of Planning Scheme of Delegation (summer 23)	Non	Council	Development and Regeneration Asst Dir – S Ashworth		Public
	Redundancy Policy	Non	Council	Leader Exec Dir – D Gates		Public
	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director - D Hall		Public

AUDIT COMMITTEE WORK PROGRAMME 2023/2024

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
17 July 2023, 3.30 pm, Council Chamber Training for the Audit Committee only – F Haywood, Internal Audit Manager				
7 August 2023	Appointment of Vice Chair for the Municipal Year 2023/2024			To appoint a Vice Chair for the Municipal Year 2023/2024.
7 August 2023	Corporate Risk Register Update (May 2023)	Update	G Greaves	G Greaves to advise if training session is to be held and potential dates.
7 August 2023	Year End Internal Audit Progress Report	Year End	F Haywood	To receive the annual report covering progress of Audit Plan for 2022/23 Internal Audit Training scheduled for 17 July 2023
7 August 2023	Internal Audit Follow up Recommendations Report		F Haywood	
7 August 2023	Year End Internal Audit Opinion	Year End	F Haywood	To receive the Audit Opinion from Audit Manager for 2022/23 Internal Audit Training scheduled for 17 July 2023

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
7 August 2023	Annual Fraud Progress Update 2022/2023	Annual	J Hay	To receive the annual report for 2022/23 Presentation on Fraud Awareness sent to Audit Committee on 6 June 2023.
7 August 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
7 August 2023	Work Programme 2023/2024			To identify any items for the work programme.
7 August 2023	Exempt Report: Housing Benefit Subsidy Claim – Annual Certification Report for 2020/2021	Annual Exempt	J Stanton	To receive the Annual Report covering the Financial Year 2020/2021. Briefing scheduled for 27 July 2023 at 10 am on Teams – J Stanton
18 September 2023	External Auditor's Report (ISA260) for 2019/2020	Annual	External Auditors	External Auditor EY will present outcome of audit findings for year 2019/20.
18 September 2023	Strategic External Audit Plan for the following Financial Year	Annual	External Auditors	External Auditors to present Strategic External Audit Plan – to be confirmed following closure of 2019/2020 Audit.
18 September 2023	Treasury Management Outturn 2022/23		C Holland	

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
18 September 2023	Treasury Management Quarter 1 reporting 2023/2024		C Holland	
18 September 2023	Latest Budget Monitoring Report 2023/24	Monitoring	C Holland	To present the latest financial position on revenue and capital spend for the year 2023/24 Briefing date to be scheduled
18 September 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
18 September 2023	Work Programme 2023/2024			To identify any items for the work programme.
27 November 2023	Statement of Accounts for 2019/2020	Annual	C Holland	To present the financial statements for approval for the year 2019/20. Training session to be scheduled prior to the meeting – date to be confirmed. All Councillors will be invited to attend.
27 November 2023	Annual Governance Statement 2019/2020	Annual	G Greaves	To present the report for year 2019/20 Training will part of Statement of Accounts training as above – TBC
27 November 2023	Corporate Risk Register Update (August 2023)	Update	G Greaves	
DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES

MEETING		REPORT	OFFICER	OUTCOMES
27 November 2023	2023/24 Fraud and Error Half Year Progress Report	Half Year Progress Report	J Hay	
27 November 2023	Treasury Management Quarter 2 Reporting 2023/2024		C Holland	
27 November 2023	Latest Budget Monitoring Report 2023/24	Monitoring	C Holland	
27 November 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
27 November 2023	Work Programme 2023/2024			To identify any items for the work programme.
16 January 2024	Treasury Management Quarter 3 Reporting 2023/2024		C Holland	
16 January 2024	Latest Budget Monitoring Report 2023/24	Monitoring	C Holland	
16 January 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
16 January 2024	Work Programme 2023/2024			To identify any items for the work programme.

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
11 March 2024	Corporate Risk Register Update (December 2023)	Update	G Greaves	
11 March 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
11 March 2024	Work Programme 2023/2024			To identify any items for the work programme.

Potential Future Training Sessions

Draft Statement of Accounts for 2022/23

Audit Committee – Potential changes for the new Administration 2023 and process improvement.

Reserves.

Potential/Future Agenda Items

Self-Assessment Exercise and Report

Terms of Reference for Audit Committee

Other External Audit Reports and training to be added once plan/timetable received from Ernst Young.

Understanding risks relating to major projects.

Identifying an effective way to reach the crux of the issue/resolution in the Audit Committee.

Scope to look at process/criteria Business Plans where external third parties were involved to eliminate the risks and ensure a standardised process that would be followed through.

Audit the process of the Member Major Projects Board/Risk Registers.

Gantt chart of the Internal Audit 2020/21.

Consideration of the appointment of Independent Person(s) to the Audit Committee and how to utilise that expertise.

Internal Audit Plan, Policies, Strategies and Resources to ensure balance was right from a Member perspective to see where the pressures are/ought to be that would inform the improvement opportunities and decision making process.

Role of the Audit Committee – to focus on whether there was a policy, implementation and findings of audits. Linkage with Corporate Performance Panel, project boards, project management, performance management, etc. Who was responsible for the technical scrutiny of the budget as opposed to the scrutiny of processes.

Risk management role of the Audit Committee.

Constitution/Scrutiny – to consider if the Constitution was robust enough to specify the scope, scale and degree of responsibility to enable the Audit Committee to undertake the correct work to the required standards.

138

Agenda Items to be Scheduled

External Auditor's Report (ISA 26) for 2019/2020

Statement of Accounts for 2019/2020

Annual Governance Statements 2019/2020

Strategic External Audit Plan for the following Financial Year

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted