

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



Audit Committee

Agenda

Monday, 22nd April, 2024
at 4.00 pm

in the

Council Chamber
Town Hall
Saturday Market Place
King's Lynn

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



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

12th April 2024

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Monday, 22nd April, 2024 at 4.00 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. **Minutes** (Pages 5 - 16)

To approve the minutes from the Audit Committee meeting held on 11th March 2024.

3. **Declarations of Interest**

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

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

4. Urgent Business Under Standing Order 7

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

5. Members Present Pursuant to Standing Order 34

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman

6. Chairman's Correspondence (if any)

7. External Audit Plan - 2023/2024 (Pages 17 - 77)

8. Update on Internal Audit Plan (Verbal Report)

Verbal Report from Jamie Hay, Senior Internal Auditor

9. Strategic and Annual Internal Audit Plans 2024/25 to 2026/27 (Pages 78 - 119)

For Audit Committee to consider the following recommendations:

- a) Internal Audit Charter 2024/25
- b) The Internal Audit Strategy 2024/25
- c) The Strategic Plan 2024/25 to 2026/27
- d) The Annual Internal Audit Plan for 2024/25.

10. Work Programme 2024/2025 (Pages 120 - 127)

Items for the Committee to consider for the Work Programme 2024/2025 are;

- Council Owned Companies
- Control of Climate Change Activities
- Appointment of Independent Person
- Review of Terms of Reference
- Results and Action Plan- Self Assessment

11. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 24th June 2024

To:

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

Portfolio Holders:

Cllr C Morley- Portfolio Holder for Finance

Management Team Representatives:

Alexa Baker, Monitoring Officer

Debbie Gates, Executive Director Head of Central & Community Services

Lorraine Gore, Chief Executive

Geoff Hall, Executive Director, Development and Environment

Faye Haywood, Internal Audit Manager

Michelle Drewery- Assistant Director

Jamie Hay- Senior Internal Auditor

Teresa Sharman- Head of Internal Audit

By Invitation:

David Riglar- External Auditors

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 11th March, 2024 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillor A Ryves (Chair)
Councillors S Bearshaw, R Coates, T de Winton, P Devulapalli,
S Everett (Vice Chair) and B Jones

Portfolio Holder:
Councillor C Morley, Finance

Under Standing Order 34:
Councillor A Kemp

Officers:
Michelle Drewery, Assistant Director Resources/Management Team Representative
Carl Holland, Financial Services Manager
Wendy Vincent, Democratic Services Officer

A150 **APOLOGIES**

An apology for absence was received from Councillor S Dark.

A151 **MINUTES**

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The minutes for the meeting held on 16 January 2024 were agreed as a correct record, subject to Councillor de Winton's apologies being recorded.

A152 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A153 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A154 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

A155 **CHAIR'S CORRESPONDENCE (IF ANY)**

There was no Chair's correspondence.

A156 **TREASURY MANAGEMENT QUARTER 3 REPORT 2023/2024**

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The Financial Services Manager explained that the report was for quarter 3 as at the 31 December 2023.

The Committee was advised that the Quarterly Review Report had been prepared in compliance with CIPFA's Code of Practice, and drew attention to the following sections of the report:

- 1: The Treasury Management Quarterly Review 2023/2024.
- 2: Economic Update.
- 3: Annual Investment Strategy - 3.4: Creditworthiness, 3.5: Investment Counterparty Criteria, 3.8: Approved limits.
- 4: Borrowing – 4.2: The Public Works Loan Board (PWLB) lending facility,
- 6: Compliance with Treasury and Prudential Limits.

The Financial Services Manager outlined the supporting information as set out below:

Appendix 1 – Economic Update

Appendix 2 – Interest Rate forecasts.

Appendix 3 – Prudential and Treasury Indications for 2023/24.

Appendix 4 – Investment Portfolio.

Appendix 5 – Approved countries for investment.

Appendix 6 – Glossary.

The Chair thanked the Financial Services Manager for the report.

The Chair reminded the Committee that its role was receive the quarterly report and to scrutinise the Treasury Management Strategy and to confirm that the Council was not borrowing to support its revenue expenditure.

The Chair invited questions and comments, a summary of which is set out below.

In response to comments made by Councillor Coates regarding the abbreviations set out on page 23, the Financial Services Manager explained that they were not included in the Glossary but had been taken verbatim from the documents from the Council's Treasury Advisors, Link and undertook to look at adding a key to include the abbreviations to assist with the interpretation.

The Financial Services Manager and Assistant Director – Resources responded to questions from Councillor de Winton on credit worthiness and local authority lending/ borrowing, investing surplus money within the next quarter, monitoring the cash flow and the capital programme.

In responses to questions from Councillor Bearshaw on surplus being invested, the Assistant Director – Resources explained that the Council worked with brokers to look at options for investment.

Councillor Bearshaw referred to page 23, Appendix 1, second bullet point – A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment had remained low at 4.2%. The Assistant Director – Resources explained that the statistical information was supplied by the Office for National Statistics and added that the UK response to wage increases had impacted on inflation which was why it had taken longer than anticipated to come down. It was noted that even in the fluctuation where it was 3.9% back to 4% had been as a result of the wage growth but had now started to stabilise and was compared year on year.

Councillor Bearshaw drew attention to Appendix 2 – Interest rate forecasts and commented that it was reassuring to see that bank rates had been accessible to the Council since 1 November 2012 and was therefore reassurance that the Council had got it right.

Councillor de Winton drew the Committee’s attention to Appendix 4 – Investment Portfolio and commented that it would be useful to have a graph explaining the level of reserves and trend in the last 5 years and going forward. In response, the Financial Services Manager took the point raised on board and would see how the request could be accommodated in future reports.

Councillor Bearshaw referred to Appendix 2 - Interest Rate Forecasts and asked how often the figures were refreshed. In response, the Financial Services Manager explained that rates had been up and down during the past two years and the information was refreshed on a bi-monthly/quarterly basis.

In response to further questions from Councillor Bearshaw in relation to whether the Council commissioned consultation to carry out the above work, the Financial Services Manager advised that professional indemnity was required and paid a reasonable amount to obtain the advice in relation to borrowing and investment and also assisted with a number of services around the Council’s balance sheet and the capital programme.

Under Standing Order 34, Councillor Kemp addressed the Committee and referred to page 34 and the overspend as at the 31 December 2023 of £1,005,160 and asked what this related to. In response, the

Chair advised Councillor Kemp that this question related to the Budget Monitoring report which was the next agenda item.

Under Standing Order 34, Councillor Kemp referred to the investment programme of £6.3m available for investment and asked what the Council was looking at for maximum return. In response, the Financial Services Manager explained that this was the figure which the Council had already tied up and the authority had cash in and out flows and had a sufficient amount in income at the start of the month which could be invested for a very short time but was paid over the major preceptors and other creditors. In conclusion, the Financial Services Manager explained that the Council took every opportunity to invest where it could.

Councillor Kemp asked further questions in relation to the housing companies and how the Council was accounting for the loss of income in the budget. The Chair advised a response could be given to the question under the next agenda item.

In response to questions from the Chair in relation to the £16.5 m investment and the difference in the figures reported in the budget monitoring report of £21.9 m (page 46 section 7.3) , the Financial Services Manager explained that this was not an error and reflected the highly liquid items, trends and the surplus available to invest. The Financial Services Manager explained that he would revisit the chart at 7.3 and seek to make the information clearer.

Councillor de Winton commented on the running of an overnight deposit account and added that lots of companies used such a facility and there was a system in place. The Financial Services Manager explained that the Council did not have the capacity to make investment decisions on a daily basis and it was normal practice to plan ahead on a two weekly basis.

Following questions from the Chair on the net interest income of £800,000, the cost of loans to the Council of approximately £400,000, the Financial Services Manager drew the Committee's attention to section 6.1 of the report which stated that the Council was mindful of the capital programme and some of the items were listed as intention rather than commitment and work was being undertaken to re-categorising the content of the capital programme and this would be reported in the new financial year. The Committee was informed that paragraph 6.1 stated officers were carrying out that piece of work and with that came the ability to better model the Council's reliance and funding of the capital programme on the cash flows. In relation to borrowing the Council could better profile and programme what the larger capital schemes meant for the availability of financing.

The Chair asked how the authorised borrowing limit of £86m was determined. In response the Assistant Director – Resources explained that £86m was based on the estimate of what the capital programme

would cost and took into account any internal borrowing being applied up to date and there were forecasts in terms of where the Council expected to borrow to support the delivery of the capital programme of £190m over the course of the medium term. The Council would look at the projects and determine how the projects would be funded via reserves, grants, reserves or whether the Council would get any back through capital receipts.

The Chair drew attention to Appendix 6 – Capital Loan – funding that the Borough Council provide to support the transfer of housing to West Norfolk Housing Co Ltd and asked it this meant that the Council had an outstanding loan to West Norfolk Housing Co Ltd. In response, the Assistant Director – Resources explained that it was the capital loan outstanding to West Norfolk Housing Co Ltd and would provide a full response direct to the Audit Committee.

The Chair invited the Portfolio Holder for Finance to address the Committee.

The Portfolio Holder for Finance made comments as a Councillor and not as a Cabinet Member. Councillor Morley referred to the scrutiny undertaken by the Audit Committee under the previous Administration and added that shortly would move into scrutiny over the group accounts as the two housing companies would become more active and would necessitate a change of some description to the traditional way in which the capital and treasury activities had been reported.

The Assistant Director – Resources added that loans were previously reported on and officers would look at how to bring this back to the Audit Committee going forward. The Committee was informed that the previous loan facility to West Norfolk Housing Company was £10m and to date £3m had been drawn down. An update would be forwarded to the Committee when available.

In response to questions from the Chair regarding the credit rating of other local authorities, the Assistant Director – Resources explained that the loan facility of 4.5% above the bank base rate was for the subsidiary companies and the base rate at 0.5% was affordable for the company to repay but when it increased to 4 – 5% it became unviable.

In response to questions from Councillor de Winton as to whether the loans were interest only or repayment mortgages, the Assistant Director – Resources explained that she did not have the information available but would check with the relevant officer and email to the Committee.

Following questions from Councillor Bearshaw on the interest rate being above the base rate for the loan to housing companies, the Assistant Director – Resources explained that this was not a confirmed rate but had obtained a separate piece of advice on what the loan rate

should be based on and would take it into consideration when the Agreement was drawn up with the housing company.

The Chair commented that the Audit Committee should be involved in detail on the arrangements for the 100% subsidiary loans. Councillor de Winton commented that the Committee should focus on this item.

RESOLVED: The Audit Committee noted the report and the treasury activity.

A157 **BUDGET MONITORING REPORT - QUARTER 3 - 2023/2024**

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

The Financial Services Manager presented the report and drew the Committee's attention to the following sections of the report:

- Summary.
- Introduction.
- Revenue Budget 2023/2024.
- Budget Summary.
- Turnover Savings.
- Opportunities/Risks
- Capital Budget and Spend 2023/2024.
- Reserves.
- Risk Management Reserves.
- Age Debt Analysis.
- Council Tax and Business Rates..
- Treasury Management 2023/2024.
- Prudential Indicators.
- Conclusion.
- Appendix A – Budget Monitoring Variances December 2023.
- Appendix B – Capital Programme 2023/2027.
- Appendix C – Age Debt Analysis.
- Appendix D – Purpose for Earmarked Reserves.

It was explained that the quarterly report had been prepared in compliance with CIPFAs Code of Practice on Treasury Management, and covered the following:

- An economic update for the first nine months of the 2023/24 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of the Council's Investment portfolio for 2023/24.
- A review of the Council's borrowing strategy for 2023/24.
- A review of any debt rescheduling undertaken during 2023/24,
- A review of compliance with Treasury and Prudential Limits for 2023/24.

Members were advised that the budgeted turnover savings for 2023/2024 was £1,000,000. Cabinet (2 August) and Council (24 August) approved the cost of living pay award, which included £860k provision from reserves to fund the costs. At this stage of the year assumptions for recruitment to vacant posts had to be estimated for the final half of the year along with the impact for reliance on costs of backfilling those vacant posts. With consideration to estimating these costs it was anticipated that the Council would meet the turnover savings target, with the use of £572k from reserves that were approved to fund the pay award.

The Financial Services Manager explained that the impact of inflation on utilities and fuel continued to be highly variable. The price per litre of vehicle fuel increased significantly in quarter 2 but had since reduced and now expected to remain within budget. Gas and electricity costs were monitored on the basis of unit costs and trends in consumptions levels adjusted for energy efficiency measures. This will also be impacted by the effect of the winter. Recent years had been mild making volume difficult to predict. The revised budget for gas and electric combined, in this report, estimated a reduction in cost of £113k from the original budget of £2.8m.

It was noted that the impact of increased interest rates and the cost-of-living crisis had created an environment of continuing uncertainty. This had affected service demand for supporting the vulnerable in services such as Housing Strategy and Lily Services. These variable costs were fully offset by grants from Norfolk County Council towards LILY employee costs and partially met from DLUHC Rough Sleeper funding.

Due to a later than expected announcement from government to increase Planning Fee charges, the expected income this year was forecast to be £550k less than budgeted. This had also been affected by a mix and volume of planning application planning fee income of £1.1m compared to £1.7m in the previous year.

Members were reminded that as reported to Council in February 2023, the budget set out an estimated contribution from the General Fund Reserve of £2,641,520. The position was now a contribution from reserves of £2,441,230 because of the changes set out in this report. The revised impact on balances was detailed at the table in section 4.2 of the report.

It was noted that the projected balance for 2023/2024 remained above the minimum level of £1,114,390 required of the Council. During this reporting period the Council had published its unqualified accounts for 2019/2020. It should be noted that the audit for the financial statements of 2020/2021 through to 2022/2023 were not concluded and a possible outcome could result in a financial adjustment to the accounts which required further drawdown from the General Fund Balance.

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

The Committee was advised that in year movements to/from revenue total £4,403,853 these were movements to and from reserves which were not budgeted for.

Members received an overview of the ring-fenced reserves set out on page 41 of the report.

The graph at 7.3 compared the average interest earned each month to the forecasted budget. The budget was shown on an even twelfth/straight-line basis. Also shown was the bank interest rate for April 2023 to September 2023. It was explained whilst the performance for return on cash investments was below budget, this was a reflection that investment rates had not quickly followed the increase in the Bank of England Base Rate and the recent strategy to seek short term investments in anticipation of better rates being available with each anticipated base rate increase.

The Committee was informed that the monitoring report included prudential indicators, updates on movements in borrowing and investments during the period.

The Chair thanked the Financial Services Manager for the report and invited questions and comments from the Committee, a summary of which is set out below.

Councillor Bearshaw asked where the £3.5m came from the for Ukraine and Afghan accommodation projects. In response, the Financial Services Manager explained that this was from grants from DLUHC and the Borough Council had levered in funding and assets had to be shown on the balance sheet. It was further explained that the Section 106 monies had been set aside for this housing purpose.

Councillor de Winton referred to paragraph 2.4.2 and the rising cost of utilities and asked if the Council had considered installing solar panels on sheds. In response, the Assistant Director – Resources explained that she could not quantify whether the Council had solar panels on all of its buildings but outlined work undertaken to council assets as part of the Refit programme.

Following comments from Councillor de Winton on planning income, and the number of planning applications per month within his parish and finding a way of placing a surcharge to generate income to the Council, the Assistant Director – Resources advised that planning fees

were determined by Government. The Assistant Director explained that there were services which the Council offered to generate income and gave an example of the pre-application planning service prior to a planning application being submitted. The Assistant Director outlined how the planning team had been restructured and created a number of new posts to allow for the increase in planning fees and to facilitate more planning applications. However, it had proved difficult to recruit to some vacant planning posts and a interim resource was being used to fill some of the gap.

The Assistant Director, Resources responded to questions from Councillor Winton on the use of locums, volume of work etc and explained that she did not have information to hand on what the caseload looked like, but would seek feedback the Assistant Director, Environment and Planning.

In response to further questions from Councillor de Winton on the increase in postage costs and using the postal service instead of email, the Assistant Director – Resources explained that there would be some statutory services when it would be necessary to post documents to customers and gave an example of the council tax bill. However, it was highlighted that there would be different requirements in each service area.

The Assistant Director – Resources responded to questions from Councillor de Winton on the New Burdens Funding.

The Chair made a number of comments in relation to his understanding of the budget as at December 2023 and the subsequent budget position in February 2024 and the main causes of the adverse variances – under achievement of turnover savings and leisure and financing, analysis of each cost centre, etc and the net effect of variances being nil balance. The Financial Services Manager confirmed that that the Chair's understanding was correct on the balance being zero and explained that the finance team held a breakdown of those figures by service area and would share the information with the Committee.

Following further questions and comments from the Chair on the external risk of audits being incomplete, etc, the Financial Services Manager explained that in preparing the draft Statement of Accounts officers employed due diligence and financial control so the records should be as expected. The 2019/2020 accounts did not relate to a reserves movement and with regard to the balance sheet and the entry for property, plant and equipment Council officers sometime had a different view on the classification but in relation to reserves there may be a difference in interpretation on how a grant had been accounted for.

In response to questions from the Chair on the New Burdens Funding (4.7(k), page 42), the Assistant Director – Resources explained that the

money was not ring-fenced but was awarded by Government to support specific activities that they had imposed on local authorities.

Following further questions from the Chair, the Assistant Director – Resources provided clarification on ring-fenced grants.

In response to questions from the Chair on drawdown on education, skills and attainment, the Assistant Director – Resources explained that this was part of the review carried out across the Council in looking to reduce earmarked reserves and to fund the £2.9m commitment in the budget approved in February 2023. The Assistant Director – Resources provided background information on the review undertaken.

The Assistant Director – Resources responded to further questions from the Chair on the invest to save reserve which was still within the earmarked reserves and drew attention to the table set out at page 41 – bottom section of grants table.

The Assistant Director – Resources responded to questions from the Chair on note 12 on the holding account £572,000 for cost of living drawdown for the Council and drawdown to Alive West Norfolk and explained that the terms and conditions for staff mirrored the Borough Council. The Assistant Director added that the staff pay award paid to the Borough Council was the same for Alive West Norfolk which was set aside in the earmarked reserves and Alive West Norfolk had requested a draw down against this. At that time the estimates were around £235,000 but they drew down significantly less at £131,000 and this was treated as a grant to Alive West Norfolk and not repayable.

The Financial Services Manager responded to questions from Councillor de Winton on the drawdown for CCTV.

The Chair drew the Committee's attention to page 51 the achieved savings towards turnover target due to vacancies in Food Hygiene, Home Improvement Agency and Environmental Protection £239,470 and commented that this was a large amount of money. In response, the Financial Services Manager explained that during the past three weeks he had spoken to the relevant Assistant Director who had seen the report and questioned the figures and confirmed it was correct. It was noted the money was to be used for a number of services relating to food safety and well-being. A proposal was being prepared to deal with the demand for food safety by the use of agencies and identify a solution.

Under Standing Order 34, Councillor Kemp made a number of observations regarding capital reserves and the climate change budget. In response, the Assistant Director – Resources explained that with in relation to climate change a decision had been made to set aside £1m to deliver the climate change strategy and in 2022/2023 a further £250,000 had been added. To date, £267,000 had been spent. The Portfolio Holder for Finance explained that there was a climate

change Action plan which had been drafted by officers and there would be a further draw down on the budget annually over a number of years.

Under Standing Order 34, Councillor Kemp referred to the reserves and the debt of West Norfolk Housing Company £3.2m and timing of capital receipts to balance the budget, etc. The Chair explained that this talking about events in the future and was outside the budget monitoring report. The Assistant Director – Resources explained that no decision had been made to draw down against the new loan facility and that there would be a process to be followed and due diligence to undertaken and details how this would impact on finances would need to be worked out.

The Portfolio Holder for Finance responded to the comments made in relation to planning applications, shortage of planners, biodiversity, nutrients, surface water, traffic congestion and a range of issues which had to be addressed. The Portfolio Holder added that reserves were reviewed to see the Council's current position. It was explained that the Portfolio Holder would look for an additional appendix setting out the revenues and costs to the Council in a more understandable format in order to make a more informed decision.

The Chair asked what scope there was to present the figures in a more corporate manner. In response, the Financial Services Manager explained that all the figures had been included in the report but it was not explicit on the face of the report and officers would liaise with the Portfolio Holder for Finance to agree a way forward.

In response to a question from Councillor de Winton on the amount of money passing through the Council's books and overnight treasury account/commission, the Financial Services Manager referred to the previous agenda item and explained that the bills that got paid to the Council earlier in the month and then the timeline for paying over precepts and the cashflow situation was not just the Council's money.

In conclusion, the Chair commented that it was difficult to scrutinise in a meaningful way where the figures were and it would be easier if a profit and loss approach was used.

The Chair added that there was an element in the budget monitoring report and commented that in future may be something to be presented jointly to the Audit Committee and the Corporate Performance Panel.

The Portfolio Holder for Finance commented that a joint panel meeting may be the way forward to enable a wider debate.

RESOLVED: The Audit Committee noted the Budget Monitoring Report, Quarter 3, 2023/2024.

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The Committee noted the Cabinet Forward Decision List.

A159 **COMMITTEE WORK PROGRAMME 2023/2024**

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

The Committee noted the Work Programme.

The following items were suggested:

- Overview of the Towns Fund.
- Wholly Owned Companies
- Empty Homes Strategy.

Following the meeting the Democratic Services Officer circulated the form – request to add an item to a work programme to the Committee to complete and return to Democratic Services to look at which Panel would be best placed to consider the requests set out above.

A160 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will be held on 22 April 2024 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn.

The meeting closed at 6.25 pm

Borough Council of Kings Lynn
and West Norfolk
Provisional Audit planning report

Year ending 31 Month 2024

10 April 2024

17



Agenda Item 7



Building a Better
working world

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

10 April 2024

Dear Audit Committee Members

Audit planning report

Attached is our audit planning report for the forthcoming meeting of the Audit Committee. The purpose of this report is provide the Audit Committee of Borough Council of Kings Lynn and West Norfolk (the Council) with a basis to review our proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key issues which drive the development of an effective audit for the Council. We have aligned our audit approach and scope with these. The report also considers the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. The joint statement on the update to proposals to clear the backlog and embed timely audit recognises that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Audit Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done it will impact the level of resource needed to discharge our responsibilities. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements, and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

(continued)

We draw Audit Committee members and officers attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

This report is intended solely for the information and use of the Audit Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 22 April 2024 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar
Partner
For and on behalf of Ernst & Young LLP
Enc

Contents

01

Overview of our 2023/24 audit strategy



02

Audit risks



03

Value for Money risks



04

Audit Materiality



05

Scope of our audit



20



06

Audit team

07

Audit timeline

08

Independence

09

Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



BOARDROOM

21

01

Overview of our 2023/24 audit strategy

Overview of our 2023/24 audit strategy

Context for the 2023/24 audit - Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector will need to work together to address this. DLUHC has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to clear the backlog. The proposals, which have been developed to maintain auditor independence and enable compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- ▶ Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.
- ▶ Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- ▶ Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

To support the further development and testing of the measures, consultations are taking place to receive further feedback and inform the decision on how to proceed. Specifically:

- ▶ DLUHC has launched a consultation on changes to the Accounts and Audit Regulations 2015 to insert statutory backstop dates for historic financial statements and for the financial years 2023/24 to 2027/28.
- ▶ The National Audit Office (NAO) has launched a consultation on amending the Code of Audit Practice to :
 - ▶ Require auditors to issue audit opinions according to statutory backstop data for historic audits, and place specific duties on auditors to co-operate during the handover period for the new PSAA contract for the appointment of local authority auditors covering the years 2023/24 to 2027/28.
 - ▶ Allow auditors to produce a single value for money commentary for the period to 2022/23 and use statutory reporting powers to draw significant matters to the attention of councils and residents.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued a consultation on temporary changes to the accounting code for preparation of the financial statements. The proposed temporary changes to the financial reporting framework have an impact on both how the financial statements are prepared and our audit procedures necessary to gain assurance.

As a result of the system wide implementation of backstop dates it is likely we will disclaim the opinion on the Council's 2020/21, 2021/22 and 2022/23 accounts. The proposed disclaimer of the Council's 2020/21, 2021/22 and 2022/23 accounts will impact both the audit procedures we need to undertake to gain assurance on the 2023/24 financial statements and the form of our audit report in 2023/24 and subsequent years during the recovery phase.

The changes proposed by the consultations therefore will have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the Audit Committee as the audit progresses and our final assessment on the scope and nature of procedures we will undertake becomes clearer. We have highlighted those areas where we consider it most likely that the proposed measures will impact our audit approach and scope as part of this Audit Planning Report.



Overview of our 2023/24 audit strategy

Responsibilities of Council/Authority management and those charged with governance

For the planned measures to be successful and the current backlog to be addressed it is vital that all stakeholders properly discharge their responsibilities.

The Council's Section 151 Officer is responsible for preparing the statement of accounts in accordance with proper practices and confirming they give a true and fair view of the financial position at the reporting date and of its expenditure and income for the year ended 31 March 2024. To allow the audit to be completed on a timely and efficient basis it is essential that the financial statements are supported by high quality working papers and audit evidence and that Council resources are readily available to support the audit process, within agreed deadlines. The Audit Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done, we will:

- ▶ Consider and report on the adequacy of the Council's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- ▶ Consider the use of other statutory reporting powers to draw attention to weaknesses in Council financial reporting arrangements where we consider it necessary to do so.
- ▶ Seek a fee variation for the cost of additional resources needed to discharge our responsibilities. We have set out this and other factors that will lead to a fee variation at Appendix B of this report together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.
- ▶ Impact the availability of audit resource available to complete the audit work in advance of any applicable backstop dates.

Overview of our 2024 audit strategy

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

Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from 2019/20	Details
Misstatement due to fraud or error	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We have considered the key areas where management has the material opportunity and incentive to override controls. We have identified the main areas as being; inappropriate classification of revenue spend as capital expenditure and where material manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement.</p>
Capital accounting entries	Significant Risk	New Risk	<p>Capital transactions in the financial statements are material and in 2019/20 we identified a number of misstatements relating to capital accounting entries in the financial statements.</p> <p>The Council have not finalised their fixed asset register since 2019/20 and are currently undertaking a process to update and populate the fixed asset register to bring it up to date to allow completion of the 2023/24 draft statement accounts.</p> <p>There is increased risk of material misstate of capital accounting entries in 2023/24 given the history of misstatements identified in prior years, the fact that the fixed asset register has not been updated since 2019/20 and the significant amount of work required to bring the register up to date for 2023/24.</p>

24

Overview of our 2024 audit strategy

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

Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from 2019/20	Details
Valuation of Land and Buildings	Significant Risk	Change in risk focus	<p>The valuation of land and buildings represent significant balances in the financial statements and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>The Council employs an internal valuer to value it's land and building assets. Since our last audit in 2019/20 the Council has employed a new internal valuer who will provide the valuation for land and building assets for 2023/24.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>
Valuation of Investment Properties	Significant risk	Change in risk focus	<p>The valuation of investment properties represent significant balances in the financial statements and are subject to valuation changes and impairment reviews.</p> <p>The Council employs an internal valuer to value it's investment properties. Since our last audit in 2019/20 the Council has employed a new internal valuer who will provide the valuation for investment properties for 2023/24.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>

25

Overview of our 2024 audit strategy

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

Audit risks and areas of focus

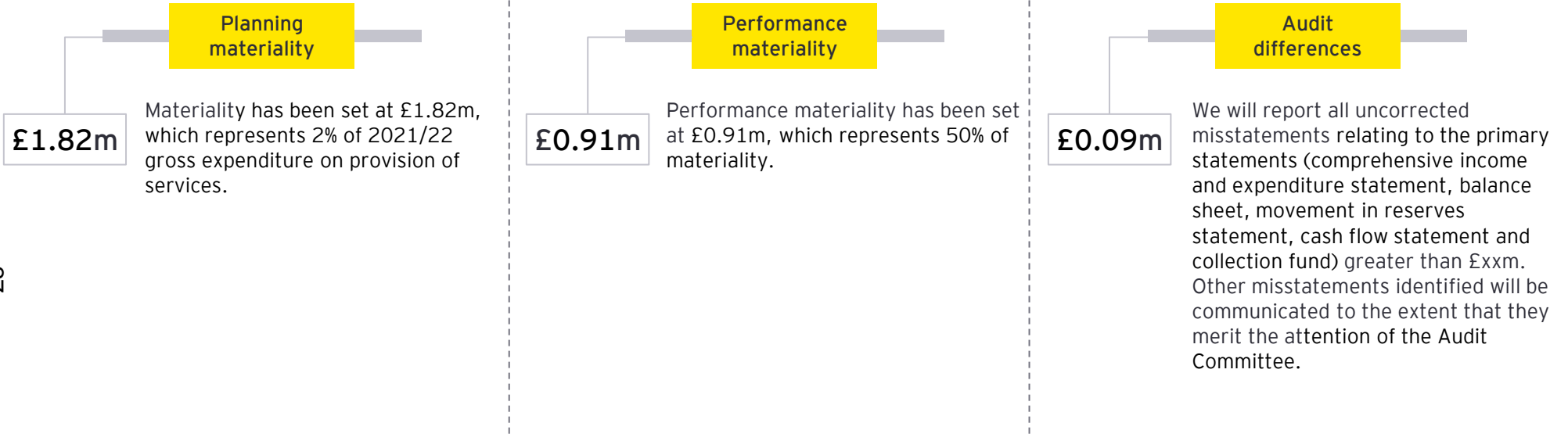
Risk/area of focus	Risk identified	Change from 2019/20	Details
Pension Valuation	Inherent risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice (the code) and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Council's pension valuation is a material and sensitive item and the Code requires that this valuation be disclosed on the Council's balance sheet. Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body. As at 31 March 2023, the year end position for the Local Government Pension Scheme was an asset of £11.1 million. In this situation, the CIPFA Code requires the application of an asset ceiling to limit the extent to which a surplus is recognised on the balance sheet under the accounting standard IFRIC 14. There is a risk that IAS19 disclosures have been produced assuming no IFRIC 14 adjustments are required which could result in a material misstatement.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>
Group Accounts	Inherent risk	No change in risk or focus	<p>The Council has a number of subsidiaries: Alive Management Ltd., Alive West Norfolk, West Norfolk Housing Company and West Norfolk Property.</p> <p>As in previous years the Council we need to consider the need to consolidate these subsidiaries into the Council's group accounts. In prior years we identified a number of audit differences in relation to the group accounts, and the consolidation working papers provided were not of an appropriate standard. There is a risk that the consolidation of any subsidiaries within the Group Boundary is not undertaken in line with the relevant accounting standards and in line with the code of practice.</p>

26

The outcome of consultation on the planned measures to address local audit delays and related proposed temporary changes to CIPFA's Code of Practice on Local Authority Accounting are likely to impact our assessment of audit risks and our response to them. We will continue to keep the Audit Committee updated on our assessment of any changes to audit risk as this becomes clearer.

Overview of our 2023/24 audit strategy

Group Materiality



27

The outcome of consultation on the planned measures to address local audit delays and the likely issue of a disclaimer on the Council's 2020/21, 2021/22 and 2022/23 financial statements and any guidance subsequently issued may continue to impact on our assessment of materiality for the 2023/24 audit. We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.



Overview of our 2023/24 audit strategy

Audit scope

This Audit planning report covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of the Council give a true and fair view of the financial position as at 31 March 2024 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 3.

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

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

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

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

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Taking the above into account, and as articulated in this Audit planning report, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to those risks. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". Therefore to the extent any of these or any other risks are relevant in the context of the Council's audit, we set those within this Audit planning report and we will continue to discuss these with management as to the impact on the scale fee.



Overview of our 2023/24 audit strategy


Audit scope (Cont.)

Effects of climate-related matters on financial statements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to the Council. It is, nevertheless, important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements.

We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

Audit scope and approach

 We intend to take a substantive audit approach.

The Government proposals to re-establish the local authority framework on a more sustainable basis and the outcome of the related consultations are likely to have an impact on the scope of the audit. In particular, where we do not have assurance spanning a number of historic financial years, this is likely to have an impact on our assessment of materiality and our ability to issue an unmodified opinion early in the recovery phase. We draw your attention to the audit scope section 05 of this audit plan where we set out our current understanding of some of the likely impact of the proposals on our scope and approach for your 2023/24 audit. We will continue to provide updates on the impact of these changes to the Audit Committee where necessary to do so.

Overview of our 2024 audit strategy

Value for Money

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

Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to prepare a commentary under three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council's arrangements against three reporting criteria:

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

The commentary on the Council's value for money arrangements will be included in the Auditor's Annual Report.

30 Timeline

A timetable has been initially discussed with management and we are awaiting confirmation from management as to when they will have a draft set of 2023/24 financial statements and a full set of supporting working papers available for audit. In Section 07 we include a provisional timeline for the audit. All parties need to work together to ensure this timeline is adhered to.

Key Audit Partner and senior audit team

David Riglar has taken over from Mark Hodgson as the Key Audit Partner for the engagement. David has over 20 years experience in public sector audits, including local governments. Mark Russell is the Engagement Senior Manager for 2023/24 audit, while Eugene Eleosida is taking on the role of Lead Senior on the audit.



Engagement Partner (David Riglar)

The Engagement Partner has overall responsibility for:

- The audit and its performance
- The auditor's report that is issued on behalf of EY
- The overall quality of the audit



Senior Manager (Mark Russell)

The Senior Manager has responsibility for management of the audit and ensuring that it is adequately resourced to meet both its time and budget constraints. They will also support the individual engagement team members to complete timely high quality audit fieldwork.



02 Audit risks

Our response to significant risks

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

Misstatements due to fraud or error*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What will we do?

- ▶ Identify fraud risks during the planning stages;
- ▶ Inquiry of management about risks of fraud and the controls put in place to address those risks;
- ▶ Understand the oversight given by those charged with governance of management's processes over fraud;
- ▶ Discuss with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions);
- ▶ Consider the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determine an appropriate strategy to address those identified risks of fraud;
- ▶ Perform mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements;
- ▶ Undertake procedures to identify significant unusual transactions; and
- ▶ Consider whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

Our response to significant risks

Inappropriate capitalisation of revenue expenditure*

Financial statement impact

33

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- ▶ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- ▶ Expenditure being classified as revenue expenditure financed as capital under statute (REFCUS) when it is inappropriate to do so.
- ▶ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) / Investment Property (IP) additions and/or REFCUS in the financial statements.

What is the risk?

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

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What will we do?

- ▶ Test Property, Plant and Equipment (PPE) / Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature;
- ▶ Assess whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred;
- ▶ Consider whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use;
- ▶ Test REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources. Based on our work at the planning stage of the audit we do not expect there to be material REFCUS in the year; and
- ▶ Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Our response to significant risks

Capital accounting entries

Financial statement impact

Capital transactions represent a number of significant and material balances in the financial statements impacting the Balance Sheet, Comprehensive Income and Expenditure statement, reserve balances and disclosure notes.

The accounting treatment for capital transactions can be complex and therefore if underlying accounting information is not input correctly into the fixed asset register these may be incorrectly accounted for in the financial statements.

What is the risk?

Capital transactions in the financial statements are material and in 2019/20 we identified a number of misstatements relating to capital accounting entries in the financial statements.

The Council have not finalised their fixed asset register since 2019/20 and are currently undertaking a process to update and populate the fixed asset register to bring it up to date to allow completion of the 2023/24 draft statement accounts.

There is a heightened risk of material misstate of capital accounting entries in 2023/24 given the history of misstatements identified in prior years, the fact that the fixed asset register has not been updated since 2019/20 and the significant amount of work required to bring the register up to date for 2023/24.

What will we do?

- ▶ Undertake analytical procedures on the fixed asset registers for 2020/21, 2021/22 and 2022/23 and confirm that expected posting have been adequately made, such as valuations, capital additions, disposals, depreciation and reserve movements;
- ▶ Test that the closing balances on the fixed asset register for each year since 2019/20 have been correctly transferred as the opening position in the subsequent year;
- ▶ Perform detailed testing of the in year movements within the 2023/24 fixed asset register; and
- ▶ Test the consistency between the fixed asset register, draft 2023/24 Statement of Accounts and trial balance.

Our response to significant risks

Valuation of Land and Buildings

35

Financial statement impact

The valuation of land and buildings represent significant balances in the financial statements and are subject to valuation changes, impairment reviews and depreciation charges.

The valuation basis varies depending on the type of assets, and is therefore subject to different input, estimation process and assumptions used.

What is the risk?

The Council employs an internal valuer to value its land and building assets. Since our last audit in 2019/20 the Council has employed a new internal valuer who will provide the valuation for land and building assets for 2023/24.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

- ▶ Consider the work performed by the Group valuer over the Council and the Group land and building assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Engage our own EY valuers, to review a sample of land and building assets and test the assumptions and methodologies employed by Group valuer;
- ▶ Perform testing of key assumptions and methodologies on a further sample of land and building assets and consider the reasonableness of the estimation techniques employed;
- ▶ Sample test key asset information used by the Group valuer in performing their valuation, agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Consider if there are any specific changes to assets that have occurred and that these have been communicated to the Group valuer;
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- ▶ Reviewing assets not subject to valuation in 2023/24 to confirm that the remaining asset base is not materially misstated;
- ▶ Test that accounting entries have been correctly processed in the financial statements; and
- ▶ Review Financial Statement disclosures to ensure that adequate disclosures have been made in relation to estimation uncertainty.

Our response to significant risks

Valuation of Investment Property

Financial statement impact

The investment property assets are subject to valuation where assumptions are based on market data or income based measures. Given potential impacts of market uncertainty due to the rising cost of living, this may limit the valuer's scope in determining reasonable estimates within the valuation model of investment properties at 31 March 2024.

What is the risk?

The valuation of investment properties represent significant balances in the financial statements and are subject to valuation changes and impairment reviews.

The Council employs an internal valuer to value its investment properties. Since our last audit in 2019/20 the Council has employed a new internal valuer who will provide the valuation for investment properties for 2023/24.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

- ▶ Consider the work performed by the Groups valuer over the Council and the Groups investment properties, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Engage our own EY valuers, to review a sample of investment properties and test the assumptions and methodologies employed by Groups valuer;
- ▶ Perform testing of key assumptions and methodologies on a further sample of investment properties and consider the reasonableness of the estimation techniques employed;
- ▶ Sample test key asset information used by the Groups valuer in performing their valuation, agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Consider if there are any specific changes to assets that have occurred and that these have been communicated to the Group valuer;
- ▶ Test that accounting entries have been correctly processed in the financial statements; and
- ▶ Review Financial Statement disclosures to ensure that adequate disclosures have been made in relation to estimation uncertainty.

Other areas of audit focus

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

What is the risk/area of focus, and the key judgements and estimates?

Pensions valuation - IAS19

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Council's pension fund is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet. Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body. In addition, as at 31 March 2023, the year end position for the Local Government Pension Scheme was an asset of £11.1 million. In this situation, the CIPFA Code requires the application of an asset ceiling to limit the extent to which a surplus is recognised on the balance sheet under the accounting standard IFRIC 14. There is a risk that IAS19 disclosures have been produced assuming no IFRIC 14 adjustments are required.

Accounting for these pension schemes involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

- Liaising with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Norfolk County Council;
- Assessing the conclusions drawn on the work of the actuary by the Consulting Actuary, PwC, commissioned by the National Audit Office for all local government sector auditors, and considering relevant reviews by the EY actuarial team;
- Undertake procedures to determine whether an asset ceiling, as required by IFRIC 14, has been appropriately applied to any pension asset;
- Using our internal EY pensions team to calculate an estimate of the Council's pension liability/asset by running their own 'actuarial model' and comparing this to that produced by the Council's actuary; and
- Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

Other areas of audit focus

What is the risk/area of focus, and the key judgements and estimates?

Group Accounts

The Council has a number of subsidiaries: Alive Management Ltd., Alive West Norfolk, West Norfolk Housing Company and West Norfolk Property.

As in previous years the Council we need to consider the need to consolidate these subsidiaries into the Council's group accounts. In prior years we identified a number of audit differences in relation to the group accounts, and the consolidation working papers provided were not of an appropriate standard. There is a risk that the consolidation of any subsidiaries within the Group Boundary is not undertaken in line with the relevant accounting standards and in line with the code of practice.

38 There is a material difference in accounting policy's between the group accounts and the group subsidiaries. Leases are accounted for in the group accounts under the Cipfa Code of Practice on Local Authority Accounting, which applies IAS 17, whilst the group subsidiaries account for these under IFRS 16. Upon consolidation of the subsidiaries the accounting for IFRS 16 will need to be adjusted by management to ensure that these balances are consolidated in accordance with the Cipfa Code.

What will we do?

- ▶ Review the Council's group boundary assessment, to confirm that all relevant subsidiaries have been consolidated into the group accounts;
- ▶ Test that the accounting framework and accounting policies of consolidated subsidiaries are aligned to the Borough Council of King's Lynn & West Norfolk Council group;
- ▶ Scope the audit requirements for the subsidiaries based on their significance to the group accounts;
- ▶ Liaise with the external auditor of the subsidiaries and issue group instructions that detail the required audit procedures they are to undertake in order to provide us with assurance for the opinion we will issue on the group accounts;
- ▶ Review the outcome of the component auditor's work;
- ▶ Perform detailed testing of intercompany transactions between Borough Council of King's Lynn & West Norfolk and the subsidiaries and between subsidiaries; and
- ▶ Ensure that appropriate consolidation procedures are applied when consolidating relevant entities into the group accounts.



39

03 Value for Money risks

Value for Money

Council's responsibilities for value for money

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

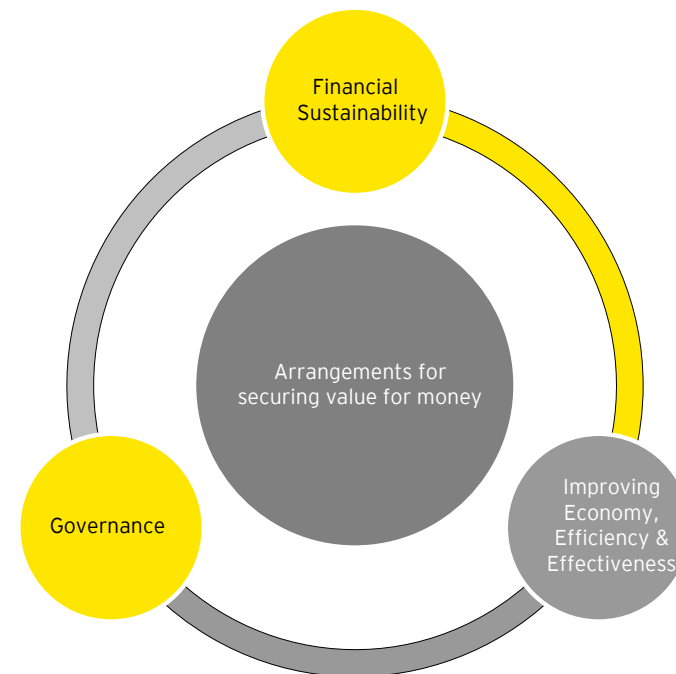
As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its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

Auditor Responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

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



Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

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

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

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

- ▶ Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- ▶ Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- ▶ Leads to - or could reasonably be expected to lead to - unlawful actions; or

Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

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



Value for Money

Responding to identified risks of significant weakness

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

Reporting on VFM

Where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the a commentary on your value for money arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This may include matters that we do not consider to be significant weaknesses in your arrangements but should be brought to your attention. This will include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

42 Status of our 2023/24 VFM planning

We have commenced but not yet completed our detailed VFM planning. However, we will focus on:

- the arrangements that the Council has in place in relation to financial sustainability; and
- the Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, as the 2020/21 and 2021/22 draft statement of accounts were published after the statutory deadline of the 31 July and the 2022/23 draft statement of accounts are yet to be published.

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



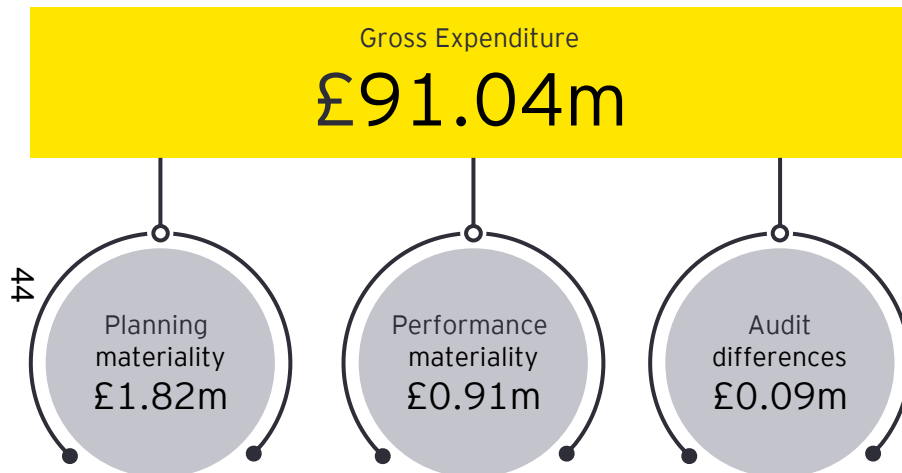
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04 Audit materiality

Materiality - Group

Group materiality

For planning purposes, Group materiality for 2023/24 has been set at £1.82 million. This represents 2% of the Group's 2021/22 gross expenditure. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix F.



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

The outcome of consultation on the planned measures to address local audit delays may impact our assessment of materiality for the 2023/24 audit. We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.

Key definitions

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

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.91 million which represents 50% of group materiality.

Component performance materiality range – we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account, collection fund and firefighters' pension fund financial statements that have an effect on income or that relate to other comprehensive income.

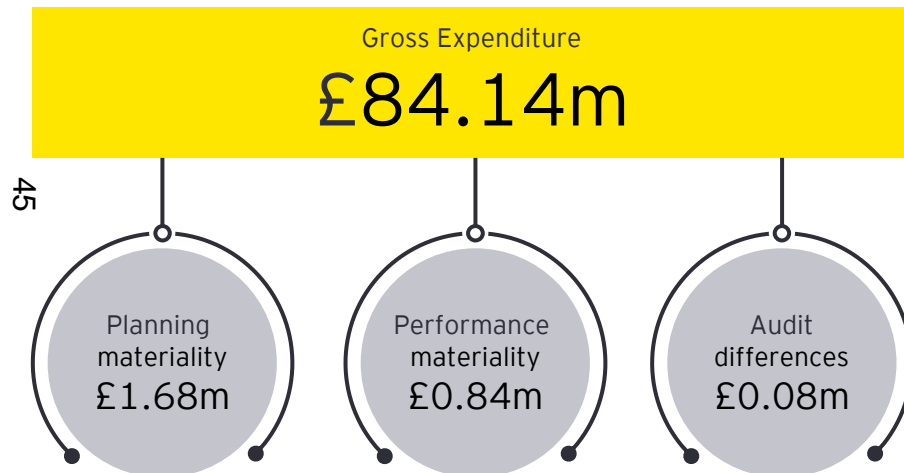
Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the audit committee, or are important from a qualitative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

Component performance materiality range – we determine component performance materiality as a percentage of Group performance materiality based on the risk and relative size to the Group.

Materiality – Borough Council of Kings Lynn and West Norfolk

Council materiality

For planning purposes, the Council materiality for 2023/24 has been set at £1.68 million. This represents 2% of the Council's 2021/22 gross expenditure. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix F.



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

The outcome of consultation on the planned measures to address local audit delays may impact our assessment of materiality for the 2023/24 audit. We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.

Key definitions

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

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.84 million which represents 50% of group materiality.

Component performance materiality range – we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account, collection fund and firefighters' pension fund financial statements that have an effect on income or that relate to other comprehensive income.

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



05 Scope of our audit

Audit process and strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- ▶ whether the financial statements give a true and fair view of the financial position of the Group and its expenditure and income for the period in question; and
- ▶ whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

47 Our opinion on other matters:

- ▶ whether other information published together with the audited financial statements is consistent with the financial statements; and
- ▶ where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

Other procedures required by the Code:

- ▶ Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

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

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

Audit process and strategy

Objective and Scope of our Audit scoping (cont'd)

Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

The changes proposed by the consultations are likely to have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the Audit Committee as the audit progresses and our assessment on the required scope and nature of procedures we will undertake becomes clearer. As examples:

- ▶ Where prior year audit opinions are modified work will be required to gain assurance, where possible, on opening balances over the period of the recovery phase (phase 2). Where we are unable to gain assurance over opening balances, we anticipate that this may lead to limitation of scope of our audit over those balances.
- ▶ Where prior year audit opinions are modified, and particularly where we do not have assurance spanning a number of historic financial years, this is likely to have an impact on our assessment of materiality and our ability to issue an unmodified opinion early in the recovery phase.
- ▶ Changes to the Code of Audit Practice on Local Authority Accounting will potentially impact on our assessment of audit risk generally, risks associated with significant accounting estimates, such as the valuation of operational property, plant and equipment and the related need to rely on management's and auditor's specialists.

Audit process and strategy

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.
- ▶ Reliance on the work of other auditors where appropriate;
- ▶ Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the Council has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics

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

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

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

Internal audit

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

Scope of our audit

Group scoping

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

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

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

Scoping by Entity

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



Scope definitions

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

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

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

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

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

Scoping the group audit

Coverage of components

The below table sets out the scoping details of all locations. We set audit scopes for each reporting unit which, when taken together, enable us to form an opinion on the group accounts. We take into account the size, risk profile, changes in the business environment, and other factors when assessing the level of work to be performed at each reporting unit. Based on the group's prior year results, our scoping is expected to achieve coverage of the group's gross expenditure and total assets as per the table set out below.

Detailed scoping

In scope locations	Scope	Statutory audit performed by EY	Coverage		Current year rationale for scoping	
			Gross Expenditure	Total Assets	Size	Risk
Borough Council of Kings Lynn and West Norfolk	Full	✓	91.0%	99.4%	Yes	Yes
Alive West Norfolk	Full	✗	8.0%	0.0%	No	Yes
West Norfolk Housing Company	Specific	✗	0.8%	0.4%	No	Yes
Alive Management Ltd	Review	✗	0.0%	0.1%	No	No
West Norfolk Property	Review	✗	0.2%	0.1%	No	No
Total			100%	100%		

Details of our procedures

Our approach will focus on:

- ▶ Review of group wide entity level controls over these components, including group management oversight and results of Internal Audit visits;
- ▶ Write to and obtain assurance from the components auditors over material balances in the components accounts;
- ▶ Perform analytical review procedures on each component;
- ▶ Test consolidation journals and intercompany eliminations; and
- ▶ Enquiry of management about unusual transactions in these components.



06

Audit team

Audit team

Audit team structure:

David Riglar
Lead Audit Partner

Mark Russell
Senior Manager

Tyler Gohegan
Assistant Manager

Eugene Peter G Elosida
Senior

Specialist 1

EY Valuations
Team

Specialist 2

EY Pensions
Team

53

Use of specialists

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

Area	Specialists
Valuation of Land and Buildings	EY Valuations Team will support the audit team in the testing the assumptions and methodologies employed on a sample of land and building assets.
Valuation of Investment Properties	EY Valuations Team will support the audit team in the testing the assumptions and methodologies employed on a sample of Investment Property assets.
Pensions disclosure	EY Actuary, PwC (Consulting Actuary to the PSAA) and Hymans Robertson (Council's Actuary).

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

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

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



07

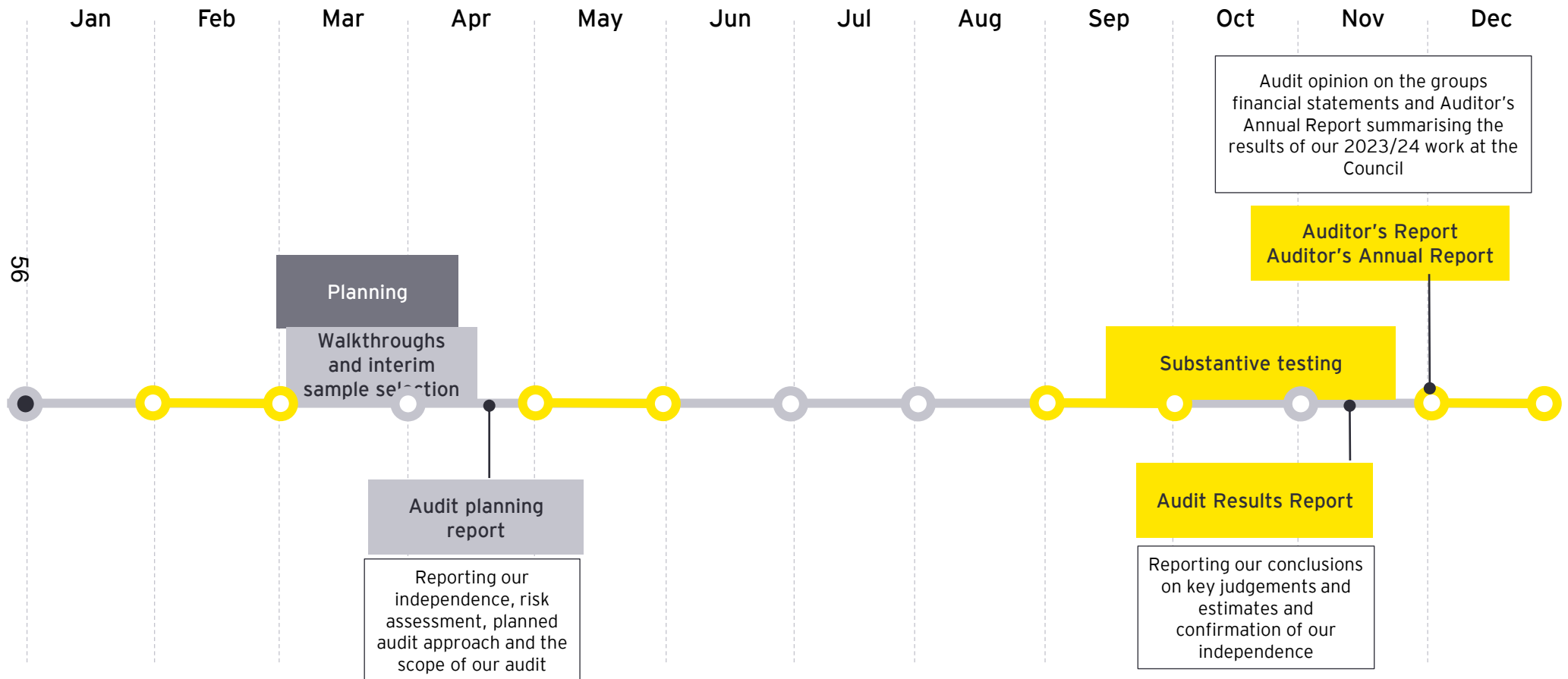
Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2023/24.

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





57

08 Independence

Introduction

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

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards; and
- ▶ Information about the general policies and process within EY to maintain objectivity and independence.

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

58

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

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

Relationships, services and related threats and safeguards

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

Overall Assessment

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

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

At the time of writing, there are no non-audit fees.

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

Relationships, services and related threats and safeguards

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

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

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

Other threats

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

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



Other communications

EY Transparency Report 2023

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2023 and can be found here: [EY UK 2023 Transparency Report](#).



09 Appendices

Appendix A – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- *prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;*
- *ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.*
- ⌘ *assign responsibilities clearly to staff with the appropriate expertise and experience;*
- *provide necessary resources to enable delivery of the plan;*
- *maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;*
- *ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;*
- *ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and*
- *during the course of the audit provide responses to auditor queries on a timely basis.*

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix B – Fees

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

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

The agreed fee presented is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment
- ▶ The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

	2023/24	2022/23	2021/22	2020/21
	£m	£m	£m	£m
Audit Fee - Code Work (PSAA Scale fee)	147,663	39,494	39,494	39,494
Scale fee variation	Note 2	TBC Note 1	TBC Note 1	TBC Note 1
Total audit	147,663	TBC	TBC	TBC
Other non-audit services not covered above (Housing benefits) (see Note 3)				

All fees exclude VAT

(1) As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Council have to pay for the 2020/21, 2021/22 and 2022/23 audits.

(2) For 2023/24, the scale fee may be impacted by a range of factors which will result in additional work.

The revision to ISA (UK) 315 will impact on our scope and approach, and require us to enhance the audit risk assessment process, better focus responses to identified risks and evaluate the impact of IT on key processes supporting the production of the financial statements. Further details on ISA315 are included later in this report. We expect to charge additional fee for this.

The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:

- ▶ Impact of identified significant risks for Capital accounting transactions, Valuation of Other Land and Buildings and Valuation of Investment Properties.
- ▶ Consideration of correspondence from the public and formal objections.
- ▶ New accounting standards, for example full adoption or additional disclosures in respect of IFRS 16.
- ▶ Non-compliance with law and regulation with an impact on the financial statements.
- ▶ VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
- ▶ The need to exercise auditor statutory powers.
- ▶ Prior period adjustments.
- ▶ Modified financial statement opinion

(3) The 2021/22 Housing Benefits work has been completed and signed off. A final fee will be determined shortly for 2021/22. For the prior year 2022/23, the audit will commence in due course while no audit work has started yet for current year 2023/24. Therefore the fees for both years are yet to be determined.

Appendix C – Accounting and regulatory update

Future accounting developments

The following table provides a high level summary of the accounting development that has the most significant impact on the Authority/Council:

Name	Summary of key measures	Impact on 2023/24
IFRS 16 Leases	<ul style="list-style-type: none">▶ CIPFA have confirmed there will be no further delay of the introduction of the leases standard IFRS 16.▶ Assets being used by the authority under operating leases are likely to be capitalised along with an associated lease liability.▶ Lease liabilities and right of use assets will be subject to more frequent remeasurement.▶ The standard must be adopted by 1 April 2024 at the latest.	<ul style="list-style-type: none">▶ The 2023/24 Statement of Accounts must disclose the impact the initial application of IFRS 16 is expected to have on the authority's financial statements.▶ The authority should make key IFRS 16 policy decisions in accordance with the Code before 1 April 2024.▶ Officers must implement robust systems to ensure all relevant data points, which could prompt a remeasurement or modification of the accounting entries, are captured in a timely manner.

59

Appendix C – Accounting and regulatory update

Regulatory update

The following table provides a high level summary of the regularity update that has the most significant impact on the Council:

Name	Summary of key measures	Impact on 2023/24
ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement	<p>ISA 315 is effective from FY 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas:</p> <ul style="list-style-type: none"> ▶ Risk Assessment ▶ Understanding the entity's internal control ▶ Significant risk ▶ Approach to addressing significant risk (in combination with ISA 330) <p>The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to:</p> <ul style="list-style-type: none"> ▶ Drive consistent and effective identification and assessment of risks of material misstatement ▶ Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability') ▶ Modernise ISA 315 to meet evolving business needs, including: <ul style="list-style-type: none"> ▶ how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and ▶ how auditors understand the entity's use of information technology relevant to financial reporting. ▶ Focus auditors on exercising professional scepticism throughout the risk identification and assessment process. 	<p>We will need to obtain an understanding of the IT processes related to the IT applications of the Council/Authority.</p> <p>We will perform procedures to determine if there are typical controls missing or control deficiencies identified and evaluated the consequences for our audit strategy.</p> <p>When we have identified controls relevant to the audit that are application controls or IT-dependent manual controls where we do not gain assurance substantively, we performed additional procedures.</p> <p>We also review the following processes for all relevant IT applications:</p> <ul style="list-style-type: none"> ▶ Manage vendor supplied changes ▶ Manage security settings ▶ Manage user access ▶ Manage entity-programmed changes ▶ Job scheduling and managing IT process

69

Appendix D – The Spring Report

A combined perspective on enhancing audit quality

The Spring Report ('The Report') was released by the Audit Committee Chairs' Independent Forum (ACCIF) on 2 June 2023 and is the first of its kind. The Report is the outcome from a series of discussions held with a group of experienced audit committee chairs, auditors from the top 6 firms, and executives from the Financial Reporting Council. The Report details the 9 key learnings that the group agreed on, proposing evolution not revolution, and is focused on getting the basics right first time leading to enhanced audit quality. The report considers key learnings covering the planning, execution, completion and reporting phases of the audit. The full list of key learnings can be found in the [report](https://accif.co.uk/report) (accif.co.uk).

Appendix E – Required communications with the Audit Committee

We have detailed the communications that we must provide to the audit committee.

Our Reporting to you

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

88

Appendix E – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit results report
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit results report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▶ Any other matters related to fraud, relevant to Audit Committee responsibility 	Audit results report

69

Appendix E – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> ▶ Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	Audit Planning Report Audit Results Report

70

Appendix E – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit results report
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit results report
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted 	Audit planning report Audit results report

Appendix E – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit results report
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit planning report Audit results report Auditor's Annual Report
Value for Money	<ul style="list-style-type: none"> ▶ Risks of significant weakness identified in planning work ▶ Commentary against specified reporting criteria on the VFM arrangements, including any exception report on significant weaknesses. 	Audit planning report Audit results report Auditor's Annual Report

72

Appendix F – Additional audit information

Regulatory update

Our objective is to form an opinion on the group's consolidated financial statements under International Standards on Auditing (UK) as prepared by you in accordance with International Financial Reporting Standards as adopted by the UK, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Audit Committee. The audit does not relieve management or the Audit Committee of their responsibilities.

Other required procedures during the course of the audit

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

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council's to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the audit committee reporting appropriately addresses matters communicated by us to the audit committee and reporting whether it is materially inconsistent with our understanding and the financial statements
- ▶ Maintaining auditor independence

Appendix F – Additional audit information (cont'd)

Other required procedures during the course of the audit

Procedures required by the Audit Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Examining and reporting on the consistency of the Whole of Government Accounts schedules or returns with the Council's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

We have included in **Appendix E** a list of matters that we are required to communicate to you under professional standards.

Purpose and evaluation of materiality

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

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements
- ▶ The level of work performed on individual account balances and financial statement disclosures

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

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that... so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations ..."

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

[The International Ethics Standard Board of Accountants' International Code of Ethics \(IESBA Code\)](#) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter

- ▶ Suspected or known fraud or bribery
- ▶ Health and Safety incident
- ▶ Payment of an unlawful dividend
- ▶ Loss of personal data
- ▶ Allegation of discrimination in dismissal
- ▶ HMRC or other regulatory investigation
- ▶ Deliberate journal mis-posting or allegations of financial impropriety
- ▶ Transacting business with sanctioned individuals

Implication

- ▶ Potential fraud/breach of anti-bribery legislation
- ▶ Potential breach of section 2 of the Health and Safety at Work Act 1974
- ▶ Potential breach of Companies Act 2006
- ▶ Potential GDPR breach
- ▶ Potential non-compliance with employment laws
- ▶ Suspicion of non-compliance with laws/regulations
- ▶ Potential fraud / breach of Companies Act 2006
- ▶ Potential breach of sanctions regulations

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:

Timely communication of the matter to auditors (within a couple of days)

Determine who will carry out any investigation into the matter - in-house or external specialists or mix of both

Scope the investigation, in discussion with the auditors

Evaluate findings and agree next steps

Determine effect on financial statements including disclosures

Prepare a paper, summarising the outcome of the investigation and management's conclusions

Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.

Key Reminders:

- ▶ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements
- ▶ Communicate with us as your auditors on a timely basis - do not wait for scheduled audit catch-ups
- ▶ Engage external specialists where needed
- ▶ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.
- ▶ Plan upfront and consider any impact on overall accounts preparation and audit timeline - discuss the implications with us as your auditor

Audit response:

Initial assessment of the NOCLAR matter and its potential impact

Initial consultation with risk team to determine responsive procedures and the involvement of specialists

Understand and agree scope of management's investigation with support from specialists as needed

Evaluate findings and undertake appropriate audit procedures

Determine audit related impact including accounting and disclosure and audit opinion implications

Document and consult on the outcome of our procedures

Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

76

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POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	22 April 2024		
TITLE:	Strategic and Annual Internal Audit Plans 2024/25 to 2026/27		
TYPE OF REPORT:	For approval		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

<p>PURPOSE OF REPORT/SUMMARY:</p> <p>This report provides the proposed Strategic Internal Audit Plan for 2024/25 to 2026/27 the Annual Internal Audit Plan for 2024/25 and the Internal Audit Charter. The plan will provide the basis for the Head of Internal Audit’s Annual Audit Opinion on the overall adequacy and effectiveness of the council’s framework of governance, risk management.</p>
<p>KEY ISSUES:</p> <p>There are no key issues.</p>
<p>OPTIONS CONSIDERED:</p> <p>N/a</p>
<p>RECOMMENDATIONS:</p> <p>For Audit Committee to approve the following: -</p> <ul style="list-style-type: none"> a) Internal Audit Charter 2024/25 b) The Internal Audit Strategy 2024/25 c) The Strategic Plan 2024/25 to 2026/27 d) The Annual Internal Audit Plan for 2024/25.
<p>REASONS FOR RECOMMENDATIONS:</p> <p>In receiving this report and approving the Strategic and Annual Internal Audit Plans for 2024/25 to 2026/27, the Committee is ensuring that the Internal Audit Service remains compliant with professional auditing standards and are fulfilling their terms of reference and its responsibilities.</p>

REPORT DETAIL

1. Introduction

Each year, the Strategic Internal Audit Plan is reviewed with senior management and audit priorities reconsidered. This exercise results in an updated Strategic and Annual Internal Audit Plan for approval. The Annual Plan is not fixed for the year and can be updated, as necessary, for emerging risks and issues which need audit assurance in-year. The Committee is informed of changes through the Progress Report it receives.

2. Proposal

The report sets out the planned work of Internal Audit over the next three years for the Committee to consider and approve.

3. Issues for the Panel to Consider

Members should consider whether the planned audits over the three years are focused in right places and on the Council's current corporate risks if these have not been subject to an audit in recent years.

4. Corporate Priorities

Audits are aligned to corporate risks which are aligned to corporate priorities so as to provide assurance against the mitigations for corporate risks over the life of the Strategic Internal Audit Plan where possible.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

Senior management have been consulted on the plans.

10. Conclusion

For Audit Committee to approve the following: -

- a) Internal Audit Charter 2024/25
- b) The Internal Audit Strategy 2024/25
- c) The Strategic Plan 2024/25 to 2026/27

d) The Annual Internal Audit Plan for 2024/25.

11. Background Papers

The Strategic and Annual Internal Audit Plans 2024/25 to 2026/27

Eastern Internal Audit Services



BOROUGH OF KING'S LYNN AND WEST NORFOLK COUNCIL

Strategic and Annual Internal Audit Plans 2024/25 to 2026/27

Responsible Officer: Teresa Sharman, Head of Internal Audit for Borough of King's Lynn and West Norfolk Council

CONTENTS

1. INTRODUCTION.....	1
2. INTERNAL AUDIT CHARTER	1
3. INTERNAL AUDIT STRATEGY	2
4. STRATEGIC INTERNAL AUDIT PLAN.....	2
5. ANNUAL INTERNAL AUDIT PLAN.....	2
6. ASSURANCE MAPPING	3
APPENDIX 1 – INTERNAL AUDIT CHARTER.....	4
APPENDIX 2 – INTERNAL AUDIT STRATEGY.....	13
APPENDIX 3 – STRATEGIC INTERNAL AUDIT PLAN 2024/25 to 2026/27.....	18
APPENDIX 4 – ANNUAL INTERNAL AUDIT PLAN 2024/25	35
APPENDIX 5 – BCKLWN ASSURANCE MAP TOP 5 STRATEGIC RISKS 2023/24.....	37

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 The Public Sector Internal Audit Standards (PSIAS) mandate a periodic preparation of a risk-based plan, which must incorporate or be linked to a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities; this is set out in the Internal Audit Strategy.
- 1.3 Risk is defined as 'the possibility of an event occurring that will have an impact on the achievement of objectives'. Risk can be a positive and negative aspect, so as well as managing things that could have an adverse impact (downside risk) it is also important to look at potential benefits (upside risk).
- 1.4 The development of a risk-based plan considers the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. This is then also applied when carrying out individual risk-based assignments to provide assurance on part of the risk management framework, including the mitigation of individual or groups of risks.
- 1.5 The following factors are also considered when developing the internal audit plan:
 - The risk profile and maturity of the Council;
 - Previous assurance gradings given in each area;
 - Any declarations to avoid conflicts of interest;
 - The requirements of the use of specialists e.g., IT auditors;
 - Striking the right balance over the range of reviews needing to be delivered, for example, systems and risk-based reviews, specific key controls testing, value for money and added value reviews;
 - Allowing contingency time to undertake ad-hoc reviews or fraud investigations as necessary;
 - The time required to carry out the audit planning process effectively as well as regular reporting to and attendance at the Audit Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.
- 1.6 In accordance with best practice the Audit Committee should '*review and assess the annual internal audit work plan*'.

2. INTERNAL AUDIT CHARTER

- 2.1 There is an obligation under the PSIAS for the Charter to be periodically reviewed and presented. This Charter is reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness and presented to senior management and the Audit Committee annually for approval. The Charter can be found at **Appendix 1**. Please note that no significant changes have been made to the Charter.

2.2 As part of the review of the Charter, the Code of Ethics are also reviewed by the Head of Internal Audit, and it is ensured that the Head of Internal Audit and Senior Internal Auditor adhere to these, specifically regarding integrity, objectivity, confidentiality and competency. Formal sign off to acceptance of the Code of Ethics is retained by the Eastern Internal Audit Services.

3. INTERNAL AUDIT STRATEGY

3.1 The purpose of the Internal Audit Strategy (**see Appendix 2**) is to confirm:

- How internal audit services will be delivered;
- How internal audit services will be developed in accordance with the internal audit Charter;
- How internal audit services links to organisational objectives and priorities; and
- How the internal audit resource requirements have been assessed and how they will be enhanced.

4. STRATEGIC INTERNAL AUDIT PLAN

4.1 The overarching objective of the Strategic Internal Audit Plan (**see Appendix 3**) is to provide a comprehensive programme of review work over the next three-year period following 2024/25. Each year provides sufficient audit coverage to give an annual opinion, which can be used to inform the organisation's Annual Governance Statement.

4.2 The coverage over the subsequent three-year period has been discussed with the Management Team to ensure audits are undertaken at the right time, at a time where value can be added, as well as ensuring sufficient coverage for an annual opinion on the framework of governance, risk management and control.

5. ANNUAL INTERNAL AUDIT PLAN

5.1 Having developed the Strategic Internal Audit Plan, the annual Internal Audit Plan is an extract of this for the forthcoming financial year (**see Appendix 4**). The plan includes the areas being reviewed by Internal Audit, the number of days for each review, the quarter during which the audit will take place and a summary and purpose of the review.

5.2 The annual Internal Audit Plan for 2024/25 totals 307 audit days, encompassing 23 internal audit reviews, three of which cover IT processes. A total of up to 30 days have been assigned to audit management work in accordance with the agreement between the Council and Eastern Internal Audit Services for tasks such as advice and guidance, Audit Committee papers and attendance, and 20 days to follow up recommendations.

5.3 Audit verification work concerning audit recommendations implemented to improve the Council's internal control environment will also be undertaken throughout the financial year by the in-house Internal Audit Team.

5.4 Depending on any changes to the control environment over the year, the annual Internal Audit Plan may need to be revised to respond to emerging risks. The Head of Internal Audit will regularly review the Risk Register and report through to the Audit Committee any necessary changes to the plan of work.

6. ASSURANCE MAPPING

- 6.1 The 2022/23 External Quality Assessment of the Internal Audit function concluded that the internal audit service is delivered in conformance with the Public Sector Internal Audit Standards. Assurance Mapping was highlighted as an area requiring development.
- 6.2 Assurance mapping is an emerging area of internal audit practice which involves mapping a visual representation of assurance activities as they apply to a specific set of risks or compliance requirements facing an organisation.
- 6.3 This exercise is particularly useful to undertake as part of internal audit planning as it allows the function to determine to what extent it can rely on and co-ordinate its activities with other assurance providers to enhance value and prevent duplication.
- 6.4 Following discussions with the Management Team during the 2023/24 audit planning process, the Internal Audit Team mapped the types of assurance available for the top four corporate risks facing the Council at this time in each of the three assurance categories listed below.

6.5 Three lines of assurance

The first line of assurance (functions that own and manage risks)	The second line of assurance (functions that oversee or who specialise in compliance or the management of risk)	The third line of assurance (functions that provide independent assurance)
Assurances in this area are provided by managers and staff who are responsible for identifying and managing risk as part of their accountability for achieving objectives.	Assurances in this area are provided by those that monitor frameworks, enable risk and compliance to be managed in the first line. Second line assurance functions are often involved in monitoring the effectiveness in the first line ensuring risks are managed consistently.	Assurances at this level are typically provided by internal audit. Sitting outside the risk management processes of the first two lines of defence. The main role of this defence line is to provide an evaluation of the effectiveness of the organisations approach to governance, risk management and control.

- 6.6 The assurance map provided at **Appendix 5** of this report highlights what assurances were available in each of the three lines for the then top five corporate risks in 2023/24. This was used to provide justification to the areas included within the strategic and annual internal audit plans for 2023/24. This exercise has not been repeated for audit planning purposes this year, 2024/25.
- 6.8 It is proposed that all or some of the top corporate risks are developed further during 2024/25 into more detailed assurance maps.

APPENDIX 1 – INTERNAL AUDIT CHARTER



BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

INTERNAL AUDIT CHARTER FOR 2024/25

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an internal audit charter; this formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The Charter also displays a formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e., the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to all staff members both internal and externally sourced for the Internal Audit function at the Borough Council of King's Lynn and West Norfolk.
- 1.5 The Accounts and Audit Regulations 2015 set out that: -
A relevant authority must ensure that it has a sound system of internal control which:
 - (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - (b) ensures that the financial and operational management of the authority is effective; and
 - (c) includes effective arrangements for the management of risk.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.
A relevant authority must, each financial year:
 - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an Annual Governance Statement.

1.6 **Mission Statement**

The Standards require the Internal Audit function to articulate its overall purpose and summarise the way it will provide value to the organisation. The mission statement for the Internal Audit function is as follows:

“Adding value to Borough of Kings Lynn and West Norfolk Council through our detailed understanding. We provide independent assurance, focused insight and aim to protect the Council against the impact of and possibility of fraud”

1.7 This charter:

- Establishes the position and reporting lines of internal audit;
- Outlines provision for unrestricted access to information, officers, management and members as appropriate;
- Sets the tone for internal audit activities;
- Defines the nature and scope of internal audit services, in particular assurance and consultancy services; and
- Sets out the nature and scope of assurance provided to other parties.

1.8 The Charter is to be periodically reviewed and presented to the Management Team and the Board for approval annually. The Charter will be reviewed by the Chief Audit Executive to confirm its ongoing completeness and validity and presented to senior management and the Board.

2 Purpose, Authority and Responsibility

2.1 Purpose

2.1.1 Internal auditing is best summarised through its definition with the Standards, *“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”*.

2.1.2 In the Council, Internal Audit provides independent and objective assurance to the organisation, its Members, Senior Management (defined as the Management Team) and in particular the Assistant Director Resources (S151 Officer) to help discharge her responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs.

2.1.3 In addition, the Accounts & Audit Regulations 2015 specifically require the provision of an Internal Audit service. In line with regulations, Internal Audit provides independent assurance on the adequacy of the Council’s governance, risk management and internal control systems.

2.1.4 Internal Audit is required to comply with the Public Sector Internal Audit Standards (PSIAS) in undertaking its work. Internal Audit operates, in accordance with PSIAS, a Quality Assurance & Improvement Programme (QAIP) to provide assurance as to Internal Audit’s continuing compliance with PSIAS.

2.2 Authority

2.2.1 The Accounts and Audit Regulations (England) 2015, states that the relevant body 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”*. The statutory requirement for internal audit is recognised in the Constitution of the Local Authority and the internal auditing standards in this regard are the Public Sector Internal Audit Standards.

2.3 Responsibility

2.3.1 The responsibility for maintaining an adequate and effective internal audit to evaluate risk management, control and governance processes lies with the Local Authority’s Chief Finance Officer (the Section 151 Officer).

2.3.2 The Local Authority and its Members must be satisfied about the adequacy of the advice and support it receives from internal audit.

2.3.3 Internal audit is provided by an in-house Internal Audit Team, with the Chief Audit Executive being responsible for ensuring the internal audit activity is undertaken in accordance with the definition of internal auditing, the code of ethics and the Standards.

2.3.4 Senior management are responsible for ensuring that internal control, risk management and governance arrangements are sufficient to address the risks facing the Local Authority. Accountability for responding to internal audit rests with senior management who either accept and implement the recommendations, or formally reject them. Any advice that is rejected will be formally reported to the Audit Committee.

3 **Key Relationships and Position in the Organisation**

3.1 The Standards require the terms ‘Chief Audit Executive’, ‘Board’ and ‘Senior Management’ to be defined in the context of the governance arrangements in each public sector organisation in order to safeguard the independence and objectivity of internal audit. The following interpretations are applied within Eastern Internal Audit Services.

3.2 Chief Audit Executive

3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Head of Internal Audit role to the Borough Council of King’s Lynn and West Norfolk through a Section 113 Agreement. At South Norfolk Council, the Chief Audit Executive reports administratively to the Chief of Staff at South Norfolk Council in relation to Eastern Internal Audit Services’ Consortium matters and the Assistant Director Resources (S151 Officer) at the Borough Council of King’s Lynn and West Norfolk for assistance on establishing direction, support and administrative interface, and the Audit Committee.

3.2.3 The Head of Internal Audit has a direct line of reporting and unfettered access to the Chief Executive, the Senior Management Team and the Chair of the Board.

3.2.4 The delivery of the Annual Internal Audit Plan and any specified ad-hoc assignments is provided by an in-house Internal Audit Team. The Senior Internal Auditor of the in-house team reports functionally to the Head of Internal Audit and administratively to the Assistant Director Resources (S151 Officer) at the Borough Council of King’s Lynn and West Norfolk.

3.3 Board

3.3.1 In the context of overseeing the work of Internal Audit at the Local Authority, the 'Board' will be the Audit Committee, which has been established as part of the governance arrangements. The Audit Committee's responsibilities are discharged through the Local Authority's Constitution's and explicitly referred to in its term of reference.

3.3.2 This functional reporting includes: -

- Approving the audit charter, audit strategy and risk based annual plans on an annual basis;
- Receiving regular reports on the outcomes of internal audit activity and performance;
- Receiving regular reports on management action in relation to agreed internal audit recommendations;
- Receiving the Annual Report and Opinion of the Head of Internal Audit, alongside a conclusion as to the effectiveness of internal audit;
- Overseeing external assessments of the Internal Audit Service, at least once every 5 years; and
- Ensuring that there are effective relationships between External and Internal Audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

3.3.3 Internal Audit work closely with the Chair and members of the Audit Committee to facilitate and support their activities, part of which includes facilitating a self- assessment and providing training.

3.4 Senior Management

3.4.1 'Senior Management' is those individuals responsible for the leadership and direction of the organisation, and are responsible for specific aspects of internal control, risk management and governance arrangements. There is effective liaison between Internal Audit and senior management to ensure that independence remains and provides for a critical challenge.

3.4.2 The Head of Internal Audit meets regularly with the Section 151 Officer to ensure organisational awareness is maintained, to discuss progress with the agreed Internal Audit Plan and to maintain a good working relationship. These arrangements facilitate discussions in relation to the current and emerging risks and issues to ensure that the internal audit plan of work remains reflective and responds as required.

3.5 External Audit

3.5.1 Regular liaison is maintained with External Audit to consult on audit plans, and to discuss matters of mutual interest. The external auditors have the opportunity to take account of the work of internal audit where appropriate.

3.6 Other Internal Audit Service Providers

3.6.1 Where appropriate internal audit will liaise with other internal audit providers, where shared arrangements exist. In such cases, a dialogue will be opened with the Chief Audit Executive to agree a way forward regarding the auditing of such shared services. This is to ensure an efficient and effective approach and enable reliance on each other's outcomes. Where formal arrangements are entered into, a protocol will be determined and agreed by both Chief Audit Executives.

- 3.6.2 Internal audit will also co-operate with all external review and inspection bodies that are authorised to access and evaluate the activities of the Local Authority, to determine compliance with regulations and standards. Assurances arising from this work will be taken into account where applicable.

4 Rights of Access

- 4.1 Internal audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have the right of access to all records, assets, personnel and premises and has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. This access is full, free and unrestricted and is set out in the Local Authority's Constitution.
- 4.2 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

5 Objective and Scope

- 5.1 The provision of assurance services is the primary role of Eastern Internal Audit Services, thus allowing the Head of Internal Audit to provide an annual audit opinion on the adequacy and effectiveness of the Local Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.
- 5.2 Internal audit will also provide consultancy services, at the request of management. These reviews are advisory in nature and generally performed to facilitate improved governance, risk management and control. This work may contribute to the annual audit opinion.
- 5.3 Whichever role / remit is carried out by internal audit the scope is to be determined by internal audit, through discussions with senior management; however, this scope will not be unduly bias nor shall it be restricted.
- 5.4 A risk based Strategic Internal Audit Plan will be developed each year to determine an appropriate level of risk-based audit coverage required to generate an annual audit opinion. The plan will be derived from risk assessments, discussions with Senior Management and Audit Committee taking prior year's assurance results into account.
- 5.5 Each audit review will be designed to provide evidence-based assurance over the management of risk and controls within that area. The results of each review will be shared with management so that any required improvements can be actioned to restore satisfactory systems of internal control.
- 5.6 It is management's responsibility to control the risk of fraud and corruption; however, internal audit will be alert to such risks in all the work that is undertaken. The Senior Internal Auditor is responsible for managing the delivery of the Council's Anti-Fraud and Anti-Corruption Policy and responsibilities included within this role are referenced within section 6.2 of the Internal Audit Charter.

6 Independence and Objectivity

- 6.1 Internal Audit must be sufficiently independent of the activities that are audited to enable an impartial, unbiased and effective professional judgement. All internal auditors working within

Eastern Internal Audit Services, annually confirm their adherence the Code of Ethics, which sets out the minimum standards for performance and conduct. The four core principles are integrity, objectivity, confidentiality and competency.

6.2 The Senior Internal Auditor is responsible for the Anti-Fraud and Anti-Corruption Policy at the Council. This represents 50% of the role and this individual undertakes the following: -

- Delivery of the Council's Anti-Fraud and Anti-Corruption Policy including risk assessment and anti-fraud and corruption plan;
- Reporting to the Audit Committee on the adequacy of the Council's approach to Anti-Fraud and Corruption;
- Fraud investigations;
- Coordinating the National Fraud Initiative data matching exercise;
- Assisting Revenues and Benefits Teams with fraud investigations and providing advice.
- Policy update and review; and
- Anti-Fraud and Anti-Corruption Risk Register for the Council.

6.3 The Head of Internal Audit will provide independent objective assurance over the adequacy of the anti-fraud and anti-corruption arrangements periodically as part of the risk-based planning process to safeguard independence of the Internal Audit function.

6.4 Internal Audit has no operational responsibility or authority over any other activities which they are required to review. They do not engage in any other activity, which would impair their judgement, objectivity or independence. Any identified threats to independence or objectivity of individual auditors or the Internal Audit function will be managed by the Head of Internal Audit and reported to the Assistant Director Resources (S151 Officer) and / or Audit Committee.

6.5 If the independence or objectivity of the Head of Internal Audit is impaired, or appears to be, the details of the impairment will be disclosed to the Assistant Director Resources (S151 Officer) and / or Management Team. The nature of the disclosure will depend upon the impairment.

7 Professional Standards

7.1 The Internal Audit Service and all Internal Audit staff operate in accordance with all mandatory guidance within the PSIAS including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and Definition of Internal Auditing. Internal Auditors also have regard for the principles contained within the Standards of Public Life.

8 Internal Audit Resources

8.1 The staffing of the Internal Audit Team will be kept under review by the Assistant Director Resources (S151 Officer) and the Head of Internal Audit, bearing in mind the resource requirements identified in the Strategic Internal Audit Plan and the overall needs of the Council.

8.2 If the Head of Internal Audit or those charged with governance consider that the level of audit resources limits the scope of Internal Audit or prejudice the ability of Internal Audit to deliver an appropriate service, they should advise the Council accordingly.

- 8.3 The Head of Internal Audit is professionally qualified (CMIIA, CCAB or equivalent) and has wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.4 The Head of Internal Audit is supported by a Senior Internal Auditor in ensuring the Internal Audit function has access to a team of staff who have the appropriate range of knowledge, skills and experience to deliver the audit plan.

9 Audit Planning

- 9.1 The Head of Internal Audit develops a strategy, alongside a strategic and annual internal audit plan, using a risk-based approach.
- 9.2 The Internal Audit Strategy provides a clear direction for internal audit services and creates a link between the Charter, the strategic plan and the annual plan.
- 9.3 The annual Internal Audit Plan of work, developed as per the Internal Audit Strategy, is derived using a risk-based approach, discussed with Senior Management and approved by the Audit Committee. The Head of Internal Audit is responsible for the delivery of the Internal Audit Plan, which will be kept under regular review and reported to the Audit Committee.

10 Audit Reporting

- 10.1 On conclusion of each assurance review included within the annual internal audit plan, a report will be provided to management giving an opinion on the adequacy of controls in place to manage risk. This report will provide an assurance level and associated recommendations to ensure that risks are appropriately addressed.
- 10.2 Management can choose not to accept / implement the recommendations raised, in all instances this will be reported through to Senior Management and the Audit Committee, especially in instances whereby there are no compensating controls justifying the course of action.
- 10.3 A Progress Report is periodically presented to the Audit Committee which includes the Executive Summary of all final reports, any significant changes to the approved plan and the performance of the contractor relative to completing the agreed plan.
- 10.4 A Recommendations Follow Up Report is also periodically produced for the Audit Committee showing management progress against the implementation of agreed recommendations arising from internal audit assurance reports. The Internal Audit Team will verify and obtain evidence to demonstrate recommendation completion from responsible officers.
- 10.5 An Internal Audit Annual Report and Opinion is produced for Senior Management and the Audit Committee following the completion of the annual audit plan each financial year.
- 10.6 This report includes a summary of all Internal Audit work carried out, details of recommendations that have been implemented by management and the Annual Opinion.
- 10.7 The annual opinion is based on the overall adequacy and effectiveness of the Local Authority's framework of governance, risk management and control during the financial year, together with reasons if the opinion is unfavourable. This opinion is reached by considering the results from assurance reviews undertaken throughout the year.

10.8 The report also highlights any issues that are deemed particularly relevant to the Annual Governance Statement (AGS) and the results of the review of the effectiveness of internal audit.

11 Quality Assurance and Improvement Programme

11.1 The Standards require a quality assurance and improvement programme to be developed that covers all aspects of internal audit, including both internal and external assessments.

11.2 If an improvement plan is required as a result of the internal or external assessment, the Head of Internal Audit will coordinate appropriate action and report this to Senior Management and the Audit Committee, as part of the annual report and opinion.

11.3 Internal Assessment

11.3.1 Internal assessment includes the ongoing monitoring of the performance of the contractor through the performance measures. These form a key part of service management of the contract and are subject to quarterly reporting to the Head of Internal Audit for review.

11.3.2 On conclusion of audit reviews, a feedback form is provided to the key officer identified during the audit process. Outcomes are reviewed and relevant improvements discussed with the contractor.

11.3.3 The Standards also require periodic self-assessment in relation to the effectiveness of internal audit, the detail and outcomes of which are then forwarded to the Assistant Director Resources (S151 Officer) for their independent scrutiny, before the summary of which is provided to the Audit Committee as part of the annual report and opinion. This information enables the Committee to be assured that the Internal Audit Service is operating in accordance with best practice.

11.4 External Assessment

11.4.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Organisation. This can be in the form of a full external quality assessment that involves interviews with relevant stakeholders, supported by examination of the internal audit approach and methodology leading to the completion of an independent report, or a validated self-assessment, which the Internal Audit Manager compiles against the PSIAS assessment tool, which is then validated by an external assessor/team. The full external quality assessment is the chosen option for Eastern Internal Audit Services.

11.4.2 An external assessment will:

- Provide an assessment on the internal audit function's conformance to the standards;
- Assess the performance of the internal audit activity in light of its charter, the expectations of the various boards and executive management;
- Identify opportunities and offer ideas and counsel for improving the performance of the internal audit activity, raising the value that internal audit provides to the organisation; and
- Benchmark the activities of the internal audit function against best practice.

11.4.3 In October 2022, the Internal Audit Service was fully assessed by the Chartered Institute of Internal Auditors. The conclusion of the review was:

“EIAS conforms with the vast majority of the Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the PSIAS and the Institute of Internal Auditors’ International Professional Practices Framework (IPPF), the globally recognised standard of quality in Internal Auditing”.

11.4.4 The next External Quality Assessment is scheduled for October 2027.

APPENDIX 2 – INTERNAL AUDIT STRATEGY



EASTERN INTERNAL AUDIT SERVICES INTERNAL AUDIT STRATEGY FOR 2024/25

1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
- How the internal audit service will be delivered;
 - How internal audit services will be developed in accordance with the Internal Audit Charter;
 - How internal audit services links to the organisational objectives and priorities; and
 - How the internal audit resource requirements have been assessed.
- 1.2 The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the Standards).
- 1.3 The purpose of the strategy is to define the objectives, function, the approach, resources and processes needed to achieve Internal audit service, providing a clear link between the Charter and the annual plan.
- 1.4 Throughout this strategy the term ‘The Council’ or ‘Council’ references the Borough Council of Kings Lynn and West Norfolk.

2. How the internal audit service will be delivered

- 2.1 The Council has an in-house internal audit resource responsible for delivering the internal audit plan, responding to requests for advisory work and investigations. The in-house Internal Audit Team is made up as follows: -

Role	FTE
Senior Internal Auditor	0.5 FTE (0.5 is allocated to delivering counter fraud services)
Auditor	1 FTE
Auditor	0.7 FTE
Trainee Auditor	1 FTE

- 2.2 The role of the Head of Internal Audit is provided by South Norfolk Council through an agreement between the two Councils. A total of up to 50 days is delivered each year to support the management of the internal audit service.

2.3 In addition to the above, where specialist resources are required in areas such as IT, the Council will make arrangements to appoint a specialist auditor in accordance with the Council's CSOs.

3. How internal audit services will be developed in accordance with the Internal Audit Charter

3.1 Internal Audit objective and outcomes

3.1.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3.1.2 The outcomes of the Internal Audit Service are detailed in the Internal Audit Charter and can be summarised as; delivering a risk-based audit plan in a professional, independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment, systems of risk management and corporate governance arrangements, and to make recommendations to improve these provisions, where further development would be beneficial.

3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit Committee and the Management Team also receive: -

- The annual Internal Audit Plan, which is risk based and forms the next financial year's plan of work;
- The Annual Report and Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control; and
- Information regarding the internal audit team's performance against agreed indicators.

3.2 Internal Audit Planning

3.2.1 A risk-based internal audit plan (RBIA) is established in consultation with senior management that identifies where assurance and consultancy is required.

3.2.2 The audit plan establishes a link between the proposed audit areas and the priorities and risks of the Authority considering: -

- Stakeholder expectations, and feedback from senior and operational managers;
- Objectives set in the strategic plan and business plans;
- Risk maturity in the organisation to provide an indication of the reliability of risk registers;
- Management's identification and response to risk, including risk mitigation strategies and levels of residual risk;
- Legal and regulatory requirements;
- The audit universe – all the audits that could be performed; and
- Previous internal audit plans and the results of audit engagements.

3.2.3 In order to ensure that the internal audit service adds value to the Council, assurance should be provided that major business risks are being managed appropriately, along with providing assurance over the system of internal control, risk management and governance processes.

- 3.2.4 Risk based internal audit planning starts with the Council's Business Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Council.
- 3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Council's priorities; an opportunity to engage with stakeholders; the Audit Committee and Management Team better understand how the Internal Audit Service helps to accomplish its objectives; and this ensures that best practice is followed.
- 3.2.6 The key distinction with establishing plans derived from a risk based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.
- 3.2.7 Consultation with the Management Team takes place through discussion during which current and future developments, changes, risks and areas of concern are considered and the plan amended accordingly to take these into account.
- 3.2.8 The outcome of this populates the annual Internal Audit Plan, which is discussed with and approved by senior management prior to these being endorsed by the Audit Committee.

3.3 Internal Audit Annual Opinion

3.3.1 The annual opinion provides the Management Team and the Audit Committee with an assessment of the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

3.3.2 The opinion is based upon: -

- The summary of the internal audit work carried out;
- The follow up of management action taken to ensure implementation of agreed action as at financial year end;
- 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: -
 - A statement on conformance with the Public Sector Internal Audit standards and the results of any quality assurance and improvement programme,
 - The outcomes of the performance indicators and
 - The degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

3.3.3 In order to achieve the above, Internal Audit operates within the Standards and uses a risk-based approach to audit planning and to each audit assignment undertaken. The control environment for each audit area reviewed is assessed for its adequacy and effectiveness of the controls and an assurance rating applied.

4. **How internal audit services links to the organisational objectives and priorities**

4.1 In addition to the approach taken as outlined in section 3.2 (Internal Audit Planning), which ensures that the service links to the Council's objectives and priorities and thereby through the risk-based approach adds value, Internal Audit also ensures an awareness is maintained of local and national issues and risks.

- 4.2 The annual audit planning process ensures that new or emerging risks are identified and considered at a local level. This strategy ensures that the planning process is all encompassing and reviews the records held by the Council in respect of risks and issue logs and registers, reports that are taken through the Council Committee meetings, and through extensive discussions with senior management.
- 4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular “horizon scanning” updates, and annually a particular focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Chartered Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.
- 4.4 The Council's risk profile will be evaluated throughout each year, and if required, amendments to the Internal Audit Plan will be suggested for approval to ensure that internal audit coverage continues to focus on providing assurance over key risks.
- 4.5 Coverage and testing plans for each audit are determined using the following principles: -
- The number of days allocated to each review is considered based on the complexity of the area being audited factoring in audit scoping, testing time and quality assurance processes.
 - Key management assurance controls will be prioritised during testing to confirm that risks identified by the service area and internal audit during scoping are being monitored and managed.
 - Ordinarily, samples for each control tested will be selected to cover a 12-month period to ensure that internal audit coverage supports the annual internal audit opinion.
 - Testing sample sizes will ordinarily be based on the frequency of the control. By way of example; for each key financial control carried out weekly, a sample of four, one in each quarter across the year will be selected.
 - Testing samples will be selected randomly and objectively to provide a balanced view on the strength of the controls in place.
 - Where applicable, data analytics will be used to test 100% of the available sample. The in-house Internal Audit Team will aim to increase the opportunities to adopt data analytics in their work to provide greater levels of assurance.

5. How internal audit resource requirements have been assessed

- 5.1 The in-house Internal Audit Team at the Council consists of a Senior Internal Auditor and two internal auditors and a Trainee Auditor. The Council receives internal audit management support from the Head of Internal audit and the Senior Internal Auditor at Eastern Internal Audit Services.
- 5.2 The risk based internal audit plan is developed with consideration of the above available resource. A chargeable time calculation for the year ahead is carried out to ensure that the team has allocated sufficient time to providing assurance over the Council's key risks, but that contingency time is also built in to ensure the Team can respond to requests for advisory or investigatory work. A proportion of the Team's time is also allocated to enhancing skills and knowledge to ensure conformance with competency standards.
- 5.3 If a shortfall is identified when comparing the assurance needs of the Council with the available resources, the Management Team and Audit Committee would be notified and action plan developed to safeguard the Internal Audit Team's ability to provide an opinion at year end.

- 5.4 In accordance with competency standards within the PSIAS, the in-house Internal Audit Team should ensure that they have the necessary knowledge, skills and experience to carry out the audits to which they are assigned. Our auditors are encouraged to continually develop their skills and knowledge through various training routes; formal courses of study, in-house training, seminars and webinars.
- 5.5 The Team's Quality Assurance and Improvement Plan contains a commitment to obtaining and maintaining professional qualifications. Considerations is being given to the Senior Internal Auditor and one of the Auditors undertaking the Certified Internal Auditor course and the recently recruited Trainee Auditor is completing the level 4 apprenticeship, Internal Audit Practitioner.
- 5.6 It is often unrealistic to expect a small internal audit team to recruit and retain a specialist auditor to provide assurance for risks such as information technology and cyber security. Where assurances are required in these areas, the Team will first seek to rely upon third party independent specialist assurance obtained by the Council. If further assurances are required outsourcing options will be explored.
- 5.7 The External Quality Assessment in 2022/23 highlighted that that the Internal Audit Service needs to invest in skills relating to data analytics to ensure audits are carried out to take full advantage of the benefits that can be realised from this audit technique.
- 5.8 The new Head of Internal Audit and Senior Internal Auditor are both trained in data analytics using MS PowerBi. A commitment has been made to ensure that by 2025/26 each internal audit review regardless of area will incorporate some data analytics testing. This will commence with using data analytics in one of the finance audit s in 2024/25. To achieve this the in-house Internal Audit Team will receive training in this area. Where systems data is not available to support such tests, a recommendation will be highlighted with the aim of encouraging the development of data maturity. A Data Analytics Strategy will be developed in 2024/25.
- 5.9 The above-mentioned arrangements ensure that the Internal Audit Service is able to respond effectively to the assurance needs of the Council whilst ensuring that the core team used are sufficiently qualified and experience.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Governance and Risk						
Corporate Governance 66	2022/23 - Deferral 2023/24 - Reasonable	Medium Risk SR 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		
Risk Management	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.	15		10	Assurance that the revised risk management framework is adequate and effective.
Annual Governance Statement	2019/20 - Substantial	No specific strategic or operational risks identified by the Council.		8		
Corporate Areas						
Data Protection incl. CCTV	2018/19 - Substantial 2021/22 - Substantial	Medium Risk SR 6 Data management and security Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.	14			Assurance that we are complying with GDPR requirements concerning for example, data security, data breaches, data retention and data storage.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Corporate Business Continuity and Emergency Planning	2016/17 - Substantial 2022/23 - Reasonable	Medium Risk SR 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.		12		
Capital Programme and Project Management	2016/17 - Substantial 2021/22 - Limited 2022/23 (Project Mgmt Fwk) - Position Statement 2023/24 - Limited	Medium Risk SR 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		
Procurement	2018/19 - Substantial 2022/23 - Limited	No specific strategic or operational risks identified by the Council.		15		An audit of Procurement will be completed in 2025/26 after the effective date of the new Procurement Act 2023 is effective.
Contract Management	2018/19 - Substantial 2022/23 - Limited	Medium Risk SR 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.	15			Assurance that contracts in place at the Council are being managed and monitored effectively, including a review of contract extensions.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Business Planning & Performance Management	2012/13 - Full 2022/23 - Reasonable	Medium Risk SR 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	
101 Complaints and FOI	2023/24 - Reasonable	Medium Risk SR 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	
Policies	2015/16 - Limited 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.			8	
Safeguarding	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Legal Services	2018/19 - Substantial	No specific strategic or operational risks identified by the Council.	10			Assurance that the controls for managing and monitoring legal cases are adequate and effective, including a review of the charging process and client feedback from service areas.
Counter Fraud and Corruption Framework	2019/20 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.			10	

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Financial Sustainability	2018/19 - Substantial 2023/24 (CMIG Plan) - deferred	High Risk SR 1 Financial Sustainability Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.	12			Assurance that the Cost Management and Income Generation Plan (CMIG) is achieving its purpose of generating additional income and reducing costs and the progress with this.
Corporate Health and Safety	2020/21 - Substantial 2022/23 - Substantial	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	12			Assurance that the policy and procedures for visiting people at addresses or areas of concerns, or where there are concerns regarding the behaviour of a person are being followed.
Elections and Electoral Registration 102	2010/11 - Full 2020/21 - Substantial	No specific strategic or operational risks identified by the Council.	10			Assurance that adequate and effective controls are in place to ensure the delivery of all elections and electoral registrations in accordance with relevant legislation, including the recent introduction of voter ID.
Fundamental Financial Systems						
Key Controls and Assurance	2022/23 - Substantial 2023/24 - TBC	No specific strategic or operational risks identified by the Council.	15	15	15	Annual assurance that the key controls within the Council's systems (finance, payroll, housing (rents and benefits) are working in practice.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Accountancy Services includes control accounts, banking, bank reconciliation, asset management / capital expenditure, budgetary control and treasury management	Treasury 2019/20 - Substantial Budget Control 2015/16 - Full Asset Register 2015/16 - Substantial 2022/23 - Reasonable	High Risk SR 1 Financial Sustainability Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.			16	
Accounts Payable 103	2016/17 - Substantial 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.	15		12	Assurance on the operation of control within the accounts payable system using data analytic techniques.
Accounts Receivable	2017/18 - Full 2022/23 - Reasonable	No specific strategic or operational risks identified by the Council.	12		10	Assurance on the operation of controls within the accounts receivable system.
Income	2022/23 - Reasonable	No specific strategic or operational risks identified by the Council.	12		10	Assurance on the operation of controls within the income cycle regarding the collection and posting of income to the financial management system.
Financial Management System	2015/16 - Full 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Housing Benefits and Council Tax						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Council Tax and National Non-Domestic Rates	2015/16 - Substantial 2021/22 - Reasonable 2023/24 - TBC	High Risk SR 14 Cost of living The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.		15		
Local Council Tax Support and Housing Benefits	2015/16 - Substantial 2023/24 - TBC			15		
Payroll, HR and Organisational Development						
Payroll	2016/17 - Full 2021/22 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.		15		
Human Resources	2016/17 - Full 2021/22 - Substantial 2023/24 - Substantial	No specific strategic or operational risks identified by the Council.		15		Ext cons - looking at research and BM and BP to incorp. Training - look at processes. OD is about mgmt dev.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Organisational Development - Training	2011/12 - Full 2023/24 - Deferral	High Risk SR 9 - Organisational change - Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.		10		Some research and benchmarking work are ongoing in this area by external consultants, following which a plan will be developed. An audit will follow this work.
Service Area audits						
Central Services						
Communications		No specific strategic or operational risks identified by the Council.			8	
Equality and Accessibility		No specific strategic or operational risks identified by the Council.		10		
Democratic Services	2014/15 - Substantial	No specific strategic or operational risks identified by the Council.			10	
Customer Services	Not recently reviewed	No specific strategic or operational risks identified by the Council.		12		
Programme and Project						
West Norfolk Housing Company Ltd (Strategic and governance arrangements against the Local Partnerships' LA Company Review Guidance)	2023/24 - Position Statement	Medium Risk SR 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.			10	

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
West Norfolk Property Ltd (Strategic and governance arrangements against the Local Partnerships' LA Company Review Guidance)	2023/24 - Position Statement	Medium Risk SR 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.			10	
Operations and Commercial						
Burial Services - Crematorium	2017/18 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Parks and Open Spaces incl. play areas and tree management 106	2023/24 (Tree mgmt) - Limited	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.			10	
Vehicle Fleet	New Area	No specific strategic or operational risks identified by the Council.	15			Assurance on management of fleet vehicles covering maintenance, tax, insurance, duty of care checks for vehicle drivers, and the process for refuelling vehicles.
Car Parking and Civil Enforcement	2020/21 - Substantial	No specific strategic or operational risks identified by the Council.	15			Assurance on the operation of on and off-street parking enforcement and the back office operation for collection of income from Parking Charge Notices (PCNs) for the County.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Waste Management (Contract with Serco covering refuse collection, street cleansing, recycling, clinical waste, abandoned vehicles and grounds maintenance)	2016/17 - Limited 2021/22 - Limited 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Health, Wellbeing and Public Protection						
Housing Standards - HMOs and private sector rentals	2018/19 - Limited 2021/22 - Reasonable 2023/24 - Reasonable	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.		10		
DFG ⁶ and discretionary grants	2019/20 - Substantial	No specific strategic or operational risks identified by the Council.			12	
Care and Repair Agency (home improvement agency funded through the Better Care Fund (BCF))		No specific strategic or operational risks identified by the Council.	12			Assurance that the controls in place for the adaptation work completed through the 'handyman' self-referral service, the contract for which has recently been renewed, are adequate and effective.
Careline Community Services (personal alarms)	2015/16 - Substantial	No specific strategic or operational risks identified by the Council.		10		

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Homelessness and Housing Options	2016/17 - Substantial 2022/23 - Deferral 2023/24 (Homelessness) - TBC	High Risk SR 14 Cost of living The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.			12	
Community Safety - Anti-social behaviour and Neighbourhood Nuisance 108	2014/15 - Full 2022/23 - Substantial	High risk SR 4 Community issues The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.		12		
Alive West Norfolk						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Alive West Norfolk	2020/21 - Substantial 2021/22 - Limited	Medium Risk SR 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.			10	
Regeneration Housing and Place						
Tourism and Place Marketing	2021/22 - Substantial	No specific strategic or operational risks identified by the Council.		10		
Economic Growth (incl. use of external grants received) 109	2012/13 - Full 2022/23 (Economic growth strategy and plans) - Substantial 2022/23 (Mgmt & governance of Towns Fund) - Reasonable 2023/24 (Mgmt and governance of grants funding received) - Reasonable	High Risk SR 3 Facilitating and enabling growth The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.	12			Assurance on the controls in place for the St Georges Guildhall & Creative Hub project, funded through the Towns Fund, are adequate and effective to ensure that the project is delivered on time and to budget.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Housing Strategy	2019/20 - Full	No specific strategic or operational risks identified by the Council.	10			Assurance on the Homelessness Strategy to ensure the Council is doing all it can to address homelessness. (A Homelessness Review has recently been completed which will feed into this Strategy.)
Culture Heritage & the Arts		No specific strategic or operational risks identified by the Council.			12	
Property and Projects						
Property Services (Commercial & Management)	Not recently reviewed	No specific strategic or operational risks identified by the Council.	15			Assurance on the rent setting process for commercial property, the letting process, collection of rent and arrears and the completion of maintenance obligations during and after the rental period.
Environment						
Flood and Water Management (coastal and surface water)	Not recently reviewed	There are 4 linked risks to Flood & Water Management within the Corporate Risk Register (SR 5 - Continuity of Service, SR 8 - Reputation Management, SR10 Climate Change Mitigation & Adaptation and SR11 - Statutory Compliance).	12			Assurance that the Council is fulfilling its areas of responsibility under Coastal Protection Act, which are outlined in the Shoreline Management Plan and Wash East Coast Management Strategy, and Flood Water Management Act.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Climate Sustainability	2022/23 - Position Statement	Medium Risk SR 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.			10	
Environmental Protection - contaminated land, air quality, private water supplies, fly tipping	2022/23 - Reasonable	Medium Risk SR 11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.		10		
Licensing (HMOs, taxis, alcohol etc)↔	2016/17 - Substantial 2021/22 - Substantial	No specific strategic or operational risks identified by the Council.			10	
Environmental Health - food health and safety (food premises' inspections)	2016/17 - Substantial 2021/22 - Substantial	Medium Risk SR11 Statutory compliance Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	10			Assurance that the Council is fulfilling its statutory duty to complete food premises' inspections in order to ensure compliance with food safety legislation.
Planning						
Building Control	New Area	No specific strategic or operational risks identified by the Council.		12		
Development Management - Planning and enforcement	2017/18 - Limited 2021/22 - Substantial	No specific strategic or operational risks identified by the Council.	7			Assurance that planning applications are being processed within the specified time period.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
S106 Agreements		No specific strategic or operational risks identified by the Council.	10			Assurance that the controls for ensuring the discharge of conditions in S106 agreements are being monitored for completion are adequate and effective.
Community Infrastructure Levy (CIL)	2019/20 - Substantial 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.			10	
Land Charges	2021/22 - Substantial 2023/24 - Reasonable	No specific strategic or operational risks identified by the Council.			10	
ICT Audits						
Network Infrastructure 11 23		No specific strategic or operational risks identified by the Council.	12			Assurance that the network infrastructure is adequate and effective covering network admin (incl. change control), support, monitoring, topology (network design) and resilience, virus prevention and detection, intrusion detection and penetration.
Data Centre	New Area	No specific strategic or operational risks identified by the Council.	10			Assurance that there are adequate controls in place in the operation of the Data Centre covering the physical environment and access.
Starters Movers Leavers	2023/24 - Limited	No specific strategic or operational risks identified by the Council.			10	
IT Strategy	New Area	No specific strategic or operational risks identified by the Council.		10		

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Software Licencing	2022/23 - Substantial	No specific strategic or operational risks identified by the Council.			10	
IT Governance	2022/23 - Deferral 2023/24 - Deferral	No specific strategic or operational risks identified by the Council.		10		
Remote Access	New Area	No specific strategic or operational risks identified by the Council.				
Disaster Recovery	2016/17 - Substantial 2021/22 - Reasonable	No specific strategic or operational risks identified by the Council.		10		
Service Desk	New Area	No specific strategic or operational risks identified by the Council.		10		
Application Audit - Civica (Revenues and Benefits system)	New Area	No specific strategic or operational risks identified by the Council.	10			Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc.)
Cyber Security	2021/22 - Substantial 2022/23 - Pass 2023/24 (Follow Up)	Medium Risk SR 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	
Contingency Days						
Time to complete 2023/24 Audit Plan			15			
Total number of audit days			307	310	281	
Follow Up of Recommendations			20	20	20	
Audit Management						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
EIAS Audit Management including, advice and guidance, committee papers and attendance, consultancy work.			30	50	50	
Total number of days			357	380	351	

Appendix 4 - Annual Internal Audit Plan 2024/25

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Governance and Risk Management						
Risk Management	15	15				Assurance that the revised risk management framework is adequate and effective.
Corporate Areas						
Data Protection	14			14		Assurance that we are complying with GDPR requirements concerning for example, data security, data breaches, data retention and data storage.
Contract Management	15	15				Assurance that contracts in place at the Council are being managed and monitored effectively, including a review of contract extensions.
Legal Services	10				10	Assurance that the controls for managing and monitoring legal cases are adequate and effective, including a review of the charging process and client feedback from service areas.
Cost Management Programme - Cost Management and Income Generation Plan (CMIG)	12			12		Assurance that the Cost Management and Income Generation Plan (CMIG) is achieving its purpose of generating additional income and reducing costs and the progress with this.
Corporate Health & Safety	12	12				Assurance that the policy and procedures for visiting people at addresses or areas of concerns, or where there are concerns regarding the behaviour of a person are being followed.
Elections & Electoral Services	10		10			Assurance that adequate and effective controls are in place to ensure the delivery of all elections and electoral registrations in accordance with relevant legislation, including the recent introduction of voter ID.
Fundamental Financial Systems						
Key Controls	15				15	Annual assurance that the key controls within the Council's systems (finance, payroll, housing (rents and benefits) are working in practice.
Accounts Payable	15		15			Assurance on the operation of controls within the accounts payable system using data analytic techniques.
Accounts Receivable	12	12				Assurance on the operation of controls within the accounts receivable system.

115

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Income	12				12	Assurance on the operation of controls within the income cycle regarding the collection and posting of income to the financial management system.
Operations and Commercial						
Vehicle Fleet	15		15			Assurance on management of fleet vehicles covering maintenance, tax, insurance, duty of care checks for vehicle drivers, and the process for refuelling vehicles.
Car Parking & Civil Enforcement	15			15		Assurance on the operation of on and off-street parking enforcement and the back office operation for collection of income from Parking Charge Notices (PCNs) for the County.
Health, Wellbeing and Public Protection						
Care and Repair Agency (home improvement agency funded through the Better Care Fund (BCF))	12		12			Assurance that the controls in place for the adaptation work completed through the 'handyman' self-referral service, the contract for which has recently been renewed, are adequate and effective.
Regeneration Housing and Place						
Housing Strategy - Homelessness Strategy	10	10				Assurance on the Homelessness Strategy to ensure the Council is doing all it can to address homelessness. (A Homelessness Review has recently been completed which will feed into this Strategy.)
Economic Growth (incl. use of external grants received)	12				12	Assurance on the controls in place for the St Georges Guildhall & Creative Hub project, funded through the Towns Fund, are adequate and effective to ensure that the project is delivered on time and to budget.
Property and Projects						
Property Services (Commercial & Management)	15			15		Assurance on the rent setting process for commercial property, the letting process, collection of rent and arrears and the completion of maintenance obligations during and after the rental period.
Environment						
Flood and Water Management (coastal and surface water)	12		12			Assurance that the Council is fulfilling its areas of responsibility under Coastal Protection Act, which are outlined in the Shoreline Management Plan and Wash East Coast Management Strategy, and Flood Water Management Act.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Environmental Health - food health and safety (food premises' inspections)	10		10			Assurance that the Council is fulfilling its statutory duty to complete food premises' inspections in order to ensure compliance with food safety legislation.
Planning Control						
Development Management - Planning and enforcement	7			7		Assurance that planning applications are being processed within the specified time period.
S106 Agreements	10			10		Assurance that the controls for ensuring the discharge of conditions in S106 agreements are being monitored for completion are adequate and effective.
ICT Audits						
Data Centre	10		10			Assurance that there are adequate controls in place in the operation of the Data Centre covering the physical environment and access.
Network Infrastructure	12				12	Assurance that the network infrastructure is adequate and effective covering network admin (incl. change control), support, monitoring, topology (network design) and resilience, virus prevention and detection, intrusion detection and penetration.
Application Audit - Civica (Revenues and Benefits system)	10			10		Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
Contingency Days						
Time to complete 2023/24 Audit Plan	15	15				
Total number of audit days	307	79	84	83	61	
Follow Up of Recommendations	20					
Audit Management						
EIAS Audit Management	30					
Total number of days	357					

117

APPENDIX 5 – BCKLWN ASSURANCE MAP TOP 5 STRATEGIC RISKS 2023/24

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
1. Financial Sustainability - Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases	<p>Finance is a standing item on Management Team and Cabinet Briefings to align with the annual financial estimates cycle.</p> <p>Cost management programme.</p>	<p>Continue to monitor potential areas of risk and work with LGA and business rates specialists where possible.</p> <p>Treasury advisors support the Council and their report feeds into design of Council's treasury policy.</p>	An audit of the cost management programme was deferred from the 2022/23 plan. This has been scheduled for Q3 of 2023/24. Internal Audit work will also continue to provide assurance on key financial controls including budgetary control.
2. Facilitating enabling growth - The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses	<p>Project and programme management approach to managing projects reporting back to grant bodies where appropriate such as DLUHC.</p> <p>Regular reporting to Project Development Group. Member Major Projects Board and Officer Major Projects Board.</p>	Housing - Additional due-diligence from East of England Talent Bank	The Internal Audit team have undertaken work on Towns Fund and Economic Development for 2022/23. Another audit is proposed for 2023/24 to look at the management of the levelling up fund, UKSPF and Rural England grant.

118

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<p>3. Community issues - The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.</p>	<p>Corporate Plan Monitoring Report presented to Cabinet covering progress against actions.</p> <p>Preventing Homelessness - Strategic Housing Market Assessment identifies increasing prevalence of families sharing accommodation with families.</p> <p>Measures with Freebridge to support quick void turn around.</p> <p>Active participation on relevant Boards/ Groups.</p>	<p>Working with Norfolk County Council to develop strategic policies that identify needs, gaps in services.</p>	<p>An internal audit of anti Social Behaviour - Community Safety has been undertaken for 2022/23. For 2023/24 the assurance plan will focus on the councils ability to mitigate risks associated with an increase in homelessness in the Borough.</p>
<p>4. Organisational change - Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.</p>	<p>Absence management information reported to Management Team</p> <p>Training programmes developed.</p>	<p>Monitoring reports to Management Team and Cabinet regarding national pay award.</p>	<p>Internal Audit will carry out a position statement 202324 to provide suggestions about workforce planning and training needs assessment and training delivery.</p>
<p>5. Cost of living - The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors</p>	<p>Cost of Living - Standing item at Management Team.</p> <p>Corporate officer established lead by Assistant to Chief Exec</p> <p>Corporate Plan Monitoring Report presented to Cabinet covering progress against actions.</p>	<p>Council using advice and resources from LGA.</p>	<p>Internal Audit will provide assurance on this risk within our Homelessness and Housing Options audit, evaluate debt recovery processes for our audit of Council Tax and NNDR and the councils ability to process an increase in Housing Benefit claims.</p>

AUDIT COMMITTEE WORK PROGRAMME 2024/2025

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
24 June 2024	Appointment of Vice Chair for the Municipal Year 2024/2025			To appoint a Vice Chair for the Municipal Year 2024/2025.
24 June 2024	Annual Internal Audit Progress Report		T Sharman J Hay	To report progress made against the Annual Internal Audit Plan 2023/24.
24 June 2024	Audit Committee Self-Assessment Review Report		T Sharman/ J Hay	To report on the outcomes from the Audit Committee Self-Assessment Review for 2023/24.
24 June 2024	Annual Internal Audit Follow-up Progress Report		J Hay	To report progress made against outstanding Recommendations made through Internal Audits as at the end of the 2023/24 fiscal year.
24 June 2024	Annual Internal Audit Opinion		T Sharman	To provide the annual internal audit assurance opinion of governance, control processes and risk management across the organisation.
24 June 2024	Annual Fraud & Error Progress Report		J Hay	To give an update on the counter fraud and corruption position as at the end of the 2023/24 fiscal year.
24 June 2024	Audit Committee Annual Report from Chair (TBC)		Councillor Ryves	To report on the effectiveness of the role of the Audit Committee for 2023/24.
24 June 2024	Exempt Report: Housing Benefit Subsidy Claim – Annual Certification Report	Annual	J Stanton	To receive the annual report.

120

Agenda Item 10

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
24 June 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
24 June 2024	Work Programme 2024/2025			To identify any items for the work programme.
23 September 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
23 September 2024	Work Programme 2024/2025			To identify any items for the work programme.
18 November 2024	Half Year Internal Audit Progress Report		T Sharman/ J Hay	To report the half-year progress made against the Annual Internal Audit Plan 2024/25.
18 November 2024	Half Year Internal Audit Follow-Up Progress Report		J Hay	To report the 2024/25 half-year progress made against outstanding Recommendations made through Internal Audits.
18 November 2024	Half Year Fraud & Error Progress Report		J Hay	To give a 2024/25 half-year update on the counter fraud and corruption position.
18 November 2024	Cabinet Forward Decisions List			

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
18 November 2024	Work Programme 2024/2025			
20 January 2025	Business Continuity – Annual Update	Annual	G Greaves	
20 January 2025	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
20 January 2025	Work Programme 2024/2025			To identify any items for the work programme.
17 March 2025	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
17 March 2025	Work Programme 2043/2025			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.

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.

Audit Committee Independent Persons

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
11 April 2024 Special Meeting						
	Local Plan Gypsy and Traveller Preferred Sites	Key	Council	Development and Regeneration Asst Dir S Ashworth	Local Plan Task Group mins and Agendas	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						
124	CIL applications referred to Cabinet	Non	Cabinet	Development and Regeneration Asst Dir – S Ashworth		Public
	Corporate Performance Management report – Quarter 3 2023/24	Non	Cabinet	Leader H Howell - Corporate Governance Manager		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
11 June 2024						
	St George's Guildhall RIBA Stage 3 and project scope	Key	Cabinet	Regeneration & Development Asst Dir		Public
	Empty Homes Strategy Review	Key	Council	People and Communities Asst Dir M Whitmore		Public

	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)
	Appointments to Outside Bodies	Non	Cabinet	Chief Executive Leader		Public
	Review of Planning Scheme of Delegation	Non	Council	Development and Regeneration Asst Dir – S Ashworth		Public
	Article 4 Direction	Non	Cabinet	Regeneration and Development Assistant Director – S Ashworth		Public
125	Recommendations from the Biodiversity Task Group	Non	Cabinet	Development and Regeneration Asst Dir – S Ashworth		Public
	Review of Outside Bodies	Non	Cabinet and Council	Leader		Public
	Redundancy Payments Scheme	Non	Council	Leader Exec Dir – D Gates		Public
	Data Protection Policy Review	Non	Council	Leader Monitoring Officer		Public
	Florence Fields – Tenure Mix	Non	Council	Deputy Leader Assistant Director – D Ousby		Part Public and part Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Long Term Plan for Towns	Key	Council	Business Asst Dir D Hall		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
26 June 2024						
	The Guildhall RIBA Stage 3 Options	Key	Cabinet and Council	Tourism Events and Marketing Assistant Dir S Hall		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
30 July 2024						
126	Review of Alive West Norfolk	Key	Council	Tourism Events and Marketing H Howell - Corporate Governance Manager		Part Public and 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
17 September 2024						
	Homelessness and Rough Sleeping Strategy Update	Non	Cabinet	Asst Director - D Hall		Public
	Long Term Plan for Towns	Key	Council	Business Asst Dir D Hall		Public

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
	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director - D Hall		Public
	Southend Road Hunstanton	Key	Cabinet	Regeneration & Development Asst Dir – D Ousby		Public
	Overnight Campervan parking in Hunstanton	Non	Cabinet	Leader Asst Director – M Chisholm		Public
	Pay Award 2024	Key	Cabinet	Leader		Public