

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



Audit Committee

Agenda

Monday, 24th June, 2024
at 4.30 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
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Friday 14th June 2024

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Monday, 24th June, 2024 at 4.30 pm** in the **Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. Apologies

2. Minutes (Pages 5 - 12)

To approve the minutes from the Audit Committee held on 22nd April 2024

3. Declarations of Interest (Page 13)

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. Appointment of Vice Chair for the Municipal Year 2024/2025

8. Risk Register Update (Pages 14 - 38)

9. Annual Internal Audit Progress Report (Pages 39 - 71)

10. Annual Internal Audit Follow Up Progress Report (Pages 72 - 92)

11. Annual Internal Audit Opinion (Pages 93 - 113)

12. Audit Committee Self Assessment Review Report (Pages 114 - 126)

13. Annual Fraud & Error Progress Report (Pages 127 - 141)

14. Audit Committee Annual Report from the Chair (Pages 142 - 164)

15. Committee Work Programme 2024/2025 (Pages 165 - 170)

To note the Committee's Work Programme for 2024/2025.

16. Exclusion of Press and Public

To consider passing the following resolution:

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

17. **EXEMPT- Housing Benefit Subsidy Claim Annual Certification Report**
(Pages 171 - 191)

18. **Date of Next Meeting**

To note that the date of the next meeting of the Audit Committee will take place on **23rd September 2024** at **4:30pm** in the **Council Chamber, Town Hall, King's Lynn.**

To:

Audit Committee: P Beal, S Bearshaw, F Bone, S Dark, T de Winton, P Devulapalli, B Jones, B Long, S Nash and A Ryves (Chair)

Portfolio Holders:

Councillor C Morley

Appropriate Officers:

Michelle Drewery- Assistant Director Resources and Section 151 Officer

Jamie Hay- Senior Internal Auditor

Teresa Sharman- Head of Internal Audit

Jo Stanton- Revenues and Benefits Manager

Ged Greaves- Senior Corporate Governance & Risk Officer/Climate Change Manager

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 22nd April, 2024 at 4.00 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

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

Portfolio Holders: Councillor C Morley

Officers:

Jamie Hay- Senior Internal Auditor
Teresa Sharman- Head of Internal Audit
David Riglar- Ernst & Young External Auditors
Michelle Drewery- Assistant Director, Resources (S151 Officer)
Natalie Gourley- Senior Internal Auditor
Emma Briers- Democratic Service Officer
Kathy Wagg- Democratic Service Officer

A161 **APOLOGIES**

There was none.

A162 **MINUTES**

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RESOLVED: The Minutes from the meeting held on 11th March 2024 were agreed as a correct record and signed by the Chair.

A163 **DECLARATIONS OF INTEREST**

There was none.

A164 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was none.

A165 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

A166 **CHAIRMAN'S CORRESPONDENCE (IF ANY)**

There was none.

A167 **EXTERNAL AUDIT PLAN - 2023/2024**

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

The Committee received a report from Ernst & Young, External Auditor.

The report outlined the external auditors risk assessment, audit approach and scope of the audit for 2023/24. The report specified reporting criteria as part of the audit plan as, financial sustainability, governance and improving economy, efficiency, and effectiveness.

The Chair thanked officers for their report and invited questions and comments from the Committee as summarised below:

Councillor Devulapalli asked for clarification and referred to page 24 of the report.

The External Auditor clarified the Council's capital transactions were required to go through the fixed assets register and the last reconciliation was for year 2019/20. He added that due to the complexities of these transactions, it provided a further risk going from year 2019/20 to year 2023/2024 reconciliation of the statement of accounts.

The Assistant Director clarified further that there was a back log and work was still being carried out on historical financial statements. From the 2019/20 audit, she explained that the finance team are working on the corrections and amendments as they needed to be carried through to 2023/2024 statement of accounts.

Councillor Coates referred to page 7 of the report and sought clarification on definition of assurance within the report and it's context.

In response to Councillor Coates, the External Auditor defined assurance as the capacity and experience of the finance team to deal with the statement of accounts. He stated assurance came from internal audit reports on financial systems and providing accurate information. Lastly, he clarified assurance was a true and fair reflection of the accounts being provided and the audit committee having assurance in the finance team and their processes.

Following on Councillor Coates asked the External Auditor if the constitution had been looked at regarding what the Audit Committee did.

The External Auditor responded that the constitution had been looked at and what was in place was what was expected. He noted CIPFA produces a good practice document which would be useful support for the committee if needed.

The Chair asked for elaboration on value of money in terms of audit. In which the External Auditor clarified the criteria that was defined by national audit office which was governance, improving economic efficiency and financial sustainability. These criteria would identify procedures and arrangement in place rather than the outcome.

In response to further questions from the Chair, the External Auditor confirmed that it was expected to have back stop dates where the audit stops once enough work had been done to give an opinion. This would come from DLUHC and regulations would allow the audit to be reset and a disclaimer opinion given.

The Chair thank the officer for clarification.

Councillor Dark commented the strength of an external audit was the element of independence. However, this also is a potential weakness due to a lack of knowledge of the Council. He raised concerns that as the audit would be carried out with the Section 151 Officer and Finance Team there was no advance or engagement method for the Committee to be able to identify discretionary areas to be audited. Councillor Dark highlighted the frustration of the delay in the report to Councillors.

The External Auditor advised as part of the external audit, previous minutes of the Audit Committee and other Council meetings would be read to identify issues and encouraged the Committee to work with the Assistant Director for assurance as risks would change throughout the audit plan.

The Assistant Director added further that if Councillors had concerns, they could also go directly to Ernst and Young instead of Officers.

The Chair invited the Portfolio Holder for Finance to address the Committee. Councillor Morley supported the comments of the Assistant Director and referred the Committee to the Internal Audit.

Councillor Bearshaw asked if the External Auditor would be meeting with the Chief Executive Team to highlight their areas of concern.

The External Auditor confirmed contact with management would be maintained throughout the audit plan. He added there were procedures in place to discuss risks as per the audit standards.

Councillor Devulapalli sought clarification on chain of command should the executive have concerns. In response, the External Auditor advise they would go to Section 151 Officer and then to Ernst and Young.

RESOLVED: The Committee noted the update.

A168

UPDATE ON INTERNAL AUDIT PLAN

[Click here to find the recording of this item on Youtube](#)

The Committee received an update from the Senior Internal Auditor as follows;

- Over the past year provide assurance to senior management and elected members
- 17 Successful Audit completed. These audits covered a range of areas, including financial controls, compliance with regulations, and operational efficiency.
- 2 Outstanding Audits- Local Council Tax Support/ Housing Benefit and Council Tax/Non-Domestic Rates
- Overall assurance opinion provided- 2 substantial assurance, 9 reasonable assurance and 3 limited assurances and 3 Position Statements.
- One significant achievement has been assurance regarding the mitigation of risks to the council and local authority trading companies objectives.
- Identified 102 actionable recommendations to mitigate these risks - 10 high, 31 medium and 61 low and a further 13 Suggested Actions within Position Statements
- All 7 audits carried forward from 2022/23 annual plan were concluded by 24/07/23.
- 7,312 investigations were completed exceeding the KPI target of 5,000 (an achievement of 146%) for fraud and corruption.
- Due to an increase in the number of matches received in year 3,836 cases were carried forward into the 2024/25 financial year.
- Identified Fraud & Error Totalled = £323,145.77
- Traced Debtors/Absconders Totalled = £145,413.94.
- Overall = £468,559.71
- Looking ahead we are committed to concluding the remaining audits of the 2023/24 plan prior to the full progress report presented in June. Work has also commenced on all Quarter 1 audits of the 2024/25 Annual Internal Audit Plan which is being presented shortly.
- The Senior Internal Auditor thanked responsible officers, senior leadership and the Audit Committee for their ongoing support and guidance.

The Chair invited questions and comments from the Committee, as summarised below;

The Senior Internal Auditor responded to questions from Councillor Bearshaw and advised recommendations from previous years which were outstanding were being looked at and a progress report for this would be ready in June 2024. He stated if the Audit Committee would like further reasons as to why recommendations were outstanding then individual officers as can be asked to attend Audit Committee to explain why.

The Head of Internal Audit added further that the recommendations were discussed with Senior Management and highlighted to them to

enable to support Internal Audit with ensuring the recommendations were implemented.

Councillor Bearshaw commented that with the severity of some of the recommendations, had SMART actions been considered.

In response to Councillor Bearshaw, the Chair asked for a draft progress report of the actions in May before it was presented to the Committee in June.

The Senior Internal Auditor confirmed a progress report could be communicated to the Committee in May.

Councillor Devulapalli sought clarification on the assessment of risks in which the Senior Internal Auditor confirmed the risks were identified and decided by management and risks were graded by them as red, amber, and green.

Cllr Bearshaw commented that the butterfly matrix presents risk information a lot easier and suggested the Committee wait until this is brought back to them before undertaking training on risk as requested by the Chair. The Chair supported this.

At the invitation of the Chair, the Portfolio Holder for Finance addressed the Committee. Councillor Morley commented there was a comprehensive list of timescales for recommendations to be completed by. An example was procurement which is outstanding due to delays in new legislation post Brexit but hopefully this will now progress.

In response to Councillor Devulapalli's question, he added there was corporate strategy and objectives which related to risk which feed into the Risk Register and then to the Corporate Performance Panel. He commented that the process was well placed in the organisation but needed to ensure it is followed correctly and this panel oversees that.

RESOLVED: The Committee noted the update

A169

STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2024/25 TO 2026/27

[Click here to find the recording of this item on Youtube.](#)

The Committee received a report from Head of Internal Audit.

The report included the Internal Audit Charter which defined the authority's purpose, roles, and responsibilities. The Head of Internal Audit highlighted to the committee of the relevant changes which were title changes only. The Internal Audit Strategy detailed the resources and approach of the audit. It also included the three-year strategic internal audit plan and annual plan as well as an assurance map for the top 5 risks as at 2023/24 which had not been updated this year. Further

work was required to produce more detailed maps on corporate risks. It signified there was a total of 307 Audit days, 23 audits and time for follow up included in the plan.

The Chair thanked the Head of Internal Audit, for their report and invited questions and comments from the Committee as summarised below:

Councillor Dark commended the Officer on the report and referred to Appendix 5 of the report which was the five strategic risks in an assurance map and sought for reassurance that the audit work in third line had been undertaken.

The Senior Internal Auditor advised the Cost Management Audit had been deferred to year 2024/25 plan. He added, that the audit on Economic Growth was carried out this year and had reasonable assurance opinion given. The third risk, an Anti-Social Behaviour and Community Safety audit was carried out in 2022/23 along with, Homelessness and Housing Options which was concluded for year 2023/24 and a reasonable opinion given. Council Tax and Non-Domestic Rates was still being finalised. Organisational Change was deferred due to a review and assessment outstanding by an external provider in liaison with the Personnel Department.

Councillor Dark suggested this was put in writing for Councillors to understand the position of all five strategic risks and the third line of assurance.

The Chair agreed with Councillor Dark for an update on the third line of assurance and timeline and sought clarification that these risks were either being audited currently or would be audited in the future.

The Senior Internal Auditor confirmed this could be put in writing.

Councillor De Winton asked if the internal audit would also audit the Council owned companies.

In response to Councillor De Winton's question, the Head of Internal Audit advised that as subsidiaries of the Borough Council, they could not be audited unless agreement had been made with the companies to allow engagement with the auditors. If they were audited in the Council's Audit plan, it would be from the point of view of the Borough Council managing and monitoring these companies.

The Senior Internal Auditor added that as part of June progress report, included would be executive summary of position statements of West Norfolk Housing Company and West Norfolk Property Company and would specify what was carried out as part of the audit and provide assurance.

Councillor Bearshaw commented that the companies of the Borough

Council could be audited by the external auditor. He also asked if all the 32 audit areas detailed in the strategic plan would be audited over the 3 years.

The Head of Internal Audit advised that over the 3 years some areas may not be audited. Different strategies were going to be considered for different audit areas going forward rather than just repeating audits on a cyclical basis. 23 audits would be enough for an audit opinion to be given by the Head of Internal Audit in 2024/25. The plan was not fixed so any emerging risks needed to be considered throughout the year and the audit plan adapted if needed.

Councillor Devulapalli referred to the Council companies being audited and stated that as they deal with large sums of money they should be audited.

The Assistant Director confirmed a financial audit was carried out as the statement of accounts must be published by the appointed external auditor for the companies "Ensors".

The Chair invited the Portfolio Holder for Finance to address the Committee. Councillor Morley reminded the Committee of the Shareholders meeting, taking place the next day and that these questions could be asked under Standing Order 34. The business plan for the housing and property companies would include the how their audit will be undertaken.

The Chair asked about the audit for Alive West Norfolk. In response, Senior Internal Auditor advised the leisure facilities had been discussed and liaising with them to gain assurance in other areas such as health and safety.

Councillor Jones as the Chair for Alive West Norfolk clarified audit was carried out by external auditors.

Portfolio Holder, Councillor Morley reminded the Committee budgets and statement of accounts for Alive West Norfolk were available for Councillors. He commented the risks of Alive West Norfolk were being considered due to the Borough Council financing the company.

Councillor Dark agreed with Councillor Morley's comments and advised there was financial and also non-financial considerations around Alive West Norfolk which delivered well-being and support to our communities. He noted his frustration as was advised this had been considered from the start of the administration however it was now being delayed. He commented strategic audit needed to be carried out and stressed the urgency of that report being delivered.

RESOLVED: The Committee approves recommendations as set out below:

- 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.

A170 **WORK PROGRAMME 2024/2025**

[Click here to find the recording of this item on YouTube.](#)

Following a discussion by the Committee the following was agreed and added to the Work Programme 2024/25:

18th November 2024- Ernst & Young External Audit update on progress of audit for 2023-2024

20th January 2025- Internal Audit and Audit Standards update on new global internal audit standards and CIPFA document for public sector.

The following items were considered for the Work Programme 2024/2025

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

The Assistant Director would discuss with the Monitoring Officer in relation to the process of recruitment and job specification for the Independent Person including number of positions.

Following the self-assessment of the Audit Committee, recommendations and ideas would be considered in the review of the Terms of Reference and added to the work programme once finalised.

Regarding the Council Owned Companies, it would be considered if further discussion was required following Shareholders Meeting.

Control of Climate Change Activities and risks of the strategy to be discussed with Chair of Corporate Performance Panel to be added to the agenda.

A171 **DATE OF NEXT MEETING**

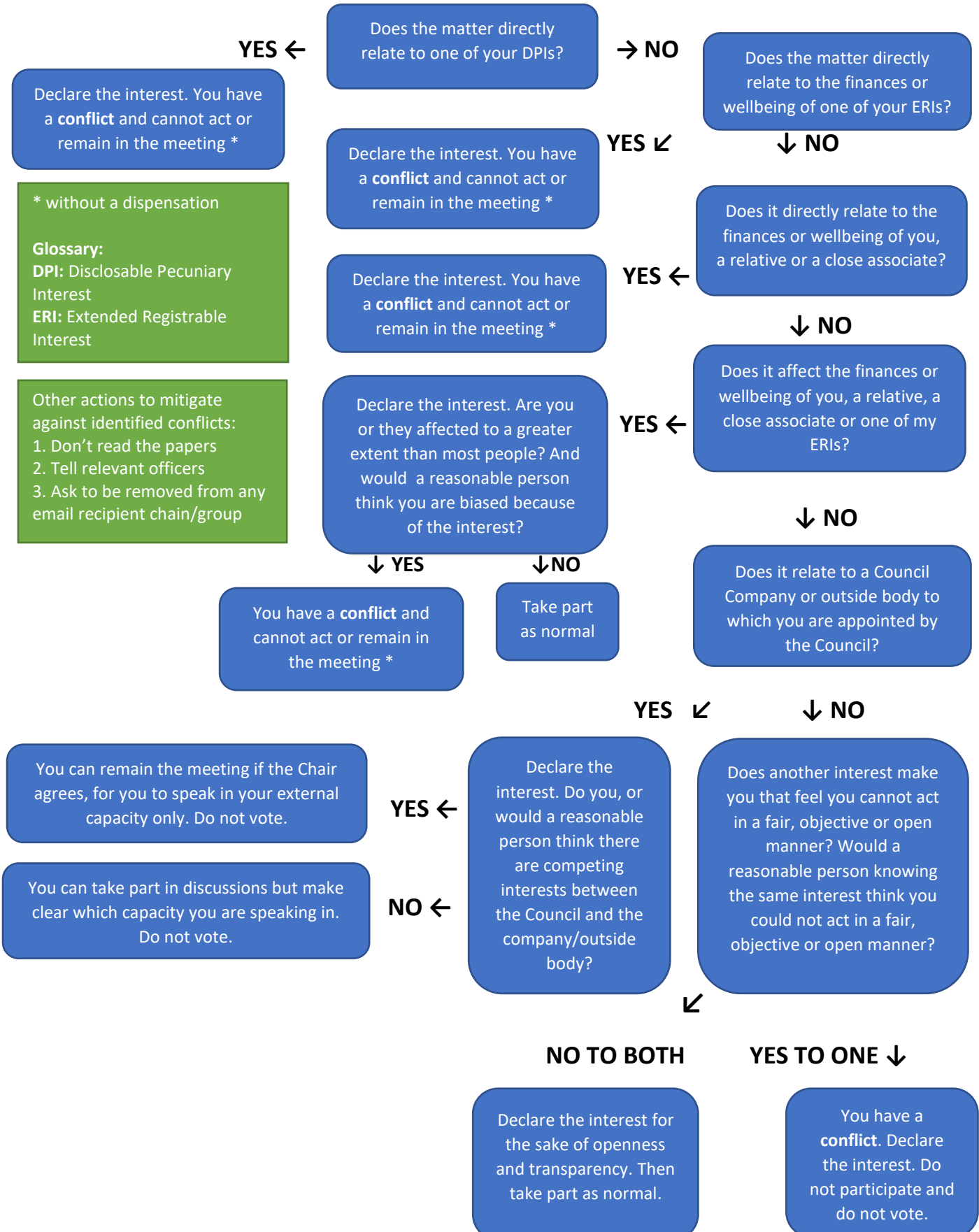
The next meeting of the Audit Committee would be held on **24th June 2024 at 4:30pm** in the **Town Hall, King's Lynn.**

The meeting closed at 5.38 pm

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



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

* without a dispensation

Glossary:
DPI: Disclosable Pecuniary Interest
ERI: Extended Registrable Interest

Other actions to mitigate against identified conflicts:

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

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 June 2024		
TITLE:	Corporate Risk Register monitoring report – May 2024		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>This report presents an updated version of the register as at May 2024. It gives details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.</p>
KEY ISSUES:
<p>The risk register was reviewed over Spring 2024. Following that review, there are no proposals to revise the score for any of the risks. There are no proposals to add or remove risks.</p>
OPTIONS CONSIDERED:
<p>Not applicable.</p>
RECOMMENDATIONS:
<p>Members are requested to consider:</p> <p style="padding-left: 40px;">a) the Corporate Risk Register as at May 2024 and confirm agreement with Management Team's assessment of the risks to the corporate business plan.</p>
REASONS FOR RECOMMENDATIONS:
<p>In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.</p>

REPORT DETAIL

1. Introduction

- 1.1 The Risk Management Policy and Risk Management Strategy covering this reporting period were approved by Council in October 2022.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk. To this end, the committee receives reports on the position of the Corporate Risk Register, with the last one being presented to the committee on 16 January 2024. The latest report is for the period up to the end of May 2024.
- 1.3 Under the refreshed policy, the Corporate Risk Register is reviewed by Management Team on a 4-monthly basis. Existing entries on the register are considered for changes to the nature of the risk, progress to be reported and any adjustments to the risk scores. Risks that are no longer relevant are proposed for removal and new risks considered in the context of current circumstances are added.
- 1.4 A summary of the changes to the Corporate Risk Register since the last monitoring report are detailed in section 2 below. Details of the 'Very High' risks are given in Appendix 1 together with a list of the 'High' risks.
- 1.5 Each risk on the register is scored in terms of Impact and Likelihood, according to criteria defined within the Corporate Risk Management Strategy. The broad definitions and risk matrix are attached for reference in Appendix 2.
- 1.6 The full Corporate Risk Register, as agreed by Management Team, has been provided to the Audit Committee in hard copy, for reference.
- 1.7 Appendix 3 sets out the corporate risks in score order.
- 1.8 Attached at Appendix 4 is list of risks that have been removed from the register since May 2018.
- 1.9 Appendix 5 is a new summarised version of the risk register developed in response to the committee's requests.

2. Changes to the Corporate Risk Register

- 2.1 There continue to be pressures with inflation, interest rates and the cost of living. At the time of writing the report, the current Bank rate is 5.25% and inflation is 2.3% compared with a target of 2%.
- 2.2 Some forecasters project interest rates beginning to fall in 2024 to control persistent inflation. A prolonged period of high interest rates is anticipated to continue to impact upon household disposable income and business cashflow.
- 2.3 A general election will take place on 4 July 2024. New Government policies, programmes, legislation and financial settlements may have an impact upon the council and the community it serves and there may be delays in decision making arising from the time taken to establish the new Government. These will be monitored post-election.

2.4 Three issues have been recently identified as corporate risks and logged in the corporate risk register:

- A short term cashflow issue arose in March 2024 related to an unexpected payment from the Council to the Government. Mitigation has taken place to frequently check Government published funding inflows/outflows.
- Bowie Construction, a groundworks sub-contractor to Lovell Homes, filed for administration in March 2024. This is anticipated to delay completion of the Salters Road development and a more substantial delay/cost issue for Florence Fields project in King's Lynn. Mitigation is being progressed with Lovell Homes.
- Since the last risk register update, the Chief Executive and two Executive Directors announced retirements. Recruitment of the new Chief Executive has been concluded and a review of the scheme of delegation will support interim arrangements.

2.5. These impacts have been considered within the corporate risk register and particularly relate to the following risks:

- SR1. Financial sustainability
- SR3. Facilitating and enabling growth
- SR4. Community issues
- SR8. Reputation management
- SR12. Council owned companies
- SR14. Cost of living

3. Conclusion

3.1 The Corporate Risk Register continues to be actively monitored by Management Team on a periodic basis.

3.2 In this review, there are no proposals to revise risk scores.

3.2 There are no proposals to change the focus of risks although this may change in accordance with the new corporate business plan.

3.3 There are no proposals to transfer risks to directorate risk registers.

3.4 There are no proposed new entries to the risk register.

3.5 The register has been updated to reflect additional mitigation measures, actions and commentary on progress.

4 Corporate Priorities

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

5 Policy Implications

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

6 Financial Implications

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

7 Personnel Implications

- 7.1 None.

8 Statutory Considerations

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

9 Equality Opportunity Considerations

- 9.1 None

10 Risk Management Implications

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

11. Environmental Implications

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

12 Recommendations

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

13.0 Declarations of Interest / Dispensations Granted

- 13.1 None.

Background Papers

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

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

Risk name: 1 - Financial sustainability

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

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

Existing Mitigation and Controls	Planned mitigating actions
<p>Cost management and income generation</p> <ol style="list-style-type: none"> 1. Actively involve staff and Members in designing the cost management and income generation programme. 2. Maintain open channels of communication on plans/ proposed changes. 3. Keep staff and members informed of how the budget reductions are being managed. 4. Budget monitoring reports. 5. Finance is a standing item on Senior Leadership Team and Cabinet Briefings to align with the annual financial estimates cycle. <p>Financial Plan</p> <ol style="list-style-type: none"> 1. A review of the costs and provision of all services will continue with the aim of mitigating costs where possible and other opportunities to improve the financial position. 2. Attendance at consultation updates from LGA / DLUHC / CIPFA. 3. Budgets will be monitored/reported against estimates on a regular basis. 4. Balanced and funded budget to 2024/25. 5. Capital and property investment strategy and related monitoring process. 6. At year end, planned and unplanned savings transferred to General Fund balance to adapt to reduction in central government funding. 7. Cabinet and SLT away days to focus on financial management. 8. Budget presentations to council panels. 9. Approach to budget setting and workshop themes (reviewing fees and charges, income generation, salaries, community benefit and staff engagement) including wider engagement with elected members. 10. Reviewing earmarked reserves to ensure we have sufficient funds to deliver corporate objectives. 	<p>Cost management and income generation</p> <ol style="list-style-type: none"> 1. Cost management plan proposals in progress. Initial discussion between Cabinet and SLT, Oct 2023. ToR to be approved by SLT and report to transformation board, March 2024. Staff engagement sessions held, recommendations from PR action plan to inform CMIG plan. 2. 5% saving target will be supported by CMIG plan. <p>Financial Plan</p> <ol style="list-style-type: none"> 2. Approach to budget setting and workshop themes being developed including wider engagement with SLT and elected members. Outline timetable for this work. Completed 3. Dates to be agreed for Non-domestic rate payer consultation, IDB meetings, member briefings and presentations, staff presentations ahead of Council Feb 2024. Completed. <p>PR action plan content to consider, wider public consultation and plan, engagement to be started earlier. New timetable to be developed bringing timescales for financial plan forward.</p> <p>Pension Fund</p> <ol style="list-style-type: none"> 1. Attend relevant briefings and workshops as required to understand announcements on Government funding and policy. Ongoing. <p>Business rates</p> <ol style="list-style-type: none"> 1. Monitor Government position with business rates retention. Ongoing 2. Provisional local government finance settlement announced Dec 2023 - changes implemented e.g. multiplier rate uplifted and billing updated. Ongoing monitoring of impact. 3. Monitoring of new legislative programme and announcements. Ongoing. 4. Attendance at relevant seminars and briefings. Ongoing. 5. Consideration of entering Business Rates Pool in 24/25. Entered into BR

Existing Mitigation and Controls	Planned mitigating actions
<p>Pension Fund</p> <ol style="list-style-type: none"> 1. 3 year valuation and 30 year plan. Next review 2025/26. 2. We have taken advantage of the one of lump sum in 2022/23. Because from the Pension Fund's aspect the council's funding strategy is classed as being ongoing, and a very long time horizon (30+ years) and is a secure employer, the Pension Fund can allow the Council to make stabilised contributions, which in effect smoothes the contribution profile so that it isn't subject to great peaks and troughs in contribution rates. The council can then budget with more certainty and consistency. One-off lump sum payments can also be paid at the start of the 3 year valuation period which secures savings for the Council. This can then be accounted for and budgeted for over the 3 year period. <p>Business rates</p> <ol style="list-style-type: none"> 1. Memorandum of Understanding determines allocation of funding from Norfolk Business Rates Pool. Local funding allocation will support priorities. 2. Continue to monitor potential areas of risk and work with LGA and business rates specialists where possible. 3. Continue working with major businesses to reduce the possibility of closure. 4. Ongoing monitoring of appeals and provision made to respond. Business Rates revaluation being undertaken in 2023, grant anticipated to cover losses to the council. 5. S31 grant provided to offset shortfall in income. <p>Rapidly rising costs</p> <ol style="list-style-type: none"> 1. Cost management, fees and charges reflect full cost recovery and income generation activities. 2. Descoping elements of projects. 3. Phasing and reprioritisation of projects. 4. Use of external funding for projects. 5. Installation of efficient heating and lighting systems. 6. Generation of electricity through solar PV. 7. Lobbying through LGA/DCN for funding settlement. 8. Revisit financial plan to account for cost increases. 9. Use of some earmarked reserves. 10. Ongoing monitoring of issues and advice from Treasury experts. 	<p>Pool. Consideration of plans for 25/26. Ongoing.</p> <p>Council Tax</p> <ol style="list-style-type: none"> 1. Legislation enabled additional schemes e.g. CT empty homes 1 apr 24, 2nd homes apr 25. Ongoing. <p>Rapidly rising costs (is it relevant)</p> <ol style="list-style-type: none"> 1. Review and monitoring of costs and programmes/projects. Ongoing. 2. Seeking external funding for projects e.g. Funding for Guildhall project. Ongoing. 3. Post project monitoring and reporting of ReFIT framework and PSDS projects. Ongoing. Audit on PSDS and responding to requirements. 4. Financial Plan to reflect any inflationary increases going forward to be agreed by Council Feb 24. (delete BAU) 5. Allow for some earmarked reserves as part of closedown to cover additional costs that have materialised and direct to General Fund reserve. Ongoing. (delete BAU) 6. Ongoing development of staff regarding future supply chain resilience e.g procurement and corporate projects ("grow our own" approach). Capacity risk? 7. Reviewing resources to ensure sufficient capacity to deliver corporate objectives. Ongoing. Stat and discretionary services work - completed. 8. Further review of earmarked reserves to support funded budget position of year 3 of the financial plan to be completed August 2023. One third identified so far. Ongoing. Completed. 9. Additional resource to support Cost Management and Income Generation plan. Ongoing. Working Group to be established and some specific plans may require resourcing. 10. MoU for purchase of additional housing. Ongoing (UKR and Afghan refugees). Ongoing

Existing Mitigation and Controls	Planned mitigating actions
<p>11. Robust contracts.</p> <p>12. Provision of inflation within cost plan estimates for projects e.g. major housing projects. Towns Fund projects.</p> <p>13. Hybrid working policy enables some employees and members to minimise travel costs.</p> <p>14. Advantageous funding agreements with third parties e.g. New Anglia LEP.</p> <p>15. Lobbying in respect of IDB levies burden to the Council.</p> <p>16. Consideration and monitoring of energy cost reductions and link to MTFS.</p> <p>17. Review earmarked reserves.</p>	
Progress	
<p>Financial Plan and CMIG plan Budget approved Feb 2024, includes CMIG plan. Funded before for yrs 1 and 2, gap year 3 and 4 but if CMIG proposals delivered then we will close the budget gap in y3 and a sig reduction in y4 gap. Still room for further proposals to come forward. Good progress towards a sustainable budget. Productivity plan required by DHLUC, CMIG plan will work alongside this and Peer Review action plan.</p> <p>Pension Fund Council agreed to one off lump sum payment to secure savings in the financial plan. Annual contributions remain the same in percentage terms and reflected in the financial plan. Position fully documented in the annual Statement of Accounts. Currently in y2 of triennial period.</p> <p>Business rates Continue to be part of the Business Rates pool in 2024/25. Re-valuation implemented from 1 Apr 2023 and Government has thresholds and transitional reliefs to protect small businesses from significant increases. Situation will continue to be closely monitored. Recognise that one small change could have a significant upon the financial plan. Continue to take prudent approach in the financial plan.</p> <p>Rapidly rising costs Impact across many risks and projects. Interest rate rises have increased investment returns but the opportunity costs of investing in projects has also increased. Ongoing monitoring of prices and labour costs as demand/prices may begin to be more competitive. Providing longer term HR measures regarding training and development within internal workforce and supply chain. Ongoing monitoring of interest rates and inflation rate upon projects and budgets.</p> <p>Inflation is currently higher than BoE target rate of 2%. Ongoing monitoring of interest rates and inflation rate upon projects and budgets.</p> <p>IDBs Special interest group established for IDBs to consider changed funding mechanism. Ongoing.</p>	

Risk name: 3 - Facilitating and enabling growth

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.

Existing Mitigation and Controls	Planned mitigating actions
<p>Local employment</p> <ol style="list-style-type: none">1. KLIC and related skills & training initiatives with partners and business sectors.2. The release of Council owned employment land at Hardwick and Campbell's Meadows in KL and at St John's Business Estate in Downham Market.3. Information packs on the local area and to aid recruitment are provided on request.4. Maintain regular contact with Department for International Trade and market investment opportunities with them.5. Effectively handle enquires received direct, whether from inside or outside the Borough.6. Active involvement with New Anglia LEP.7. Enterprise Zone development.8. Use of external funds to de-risk developments.9. Gas main diversion completed at Nar Ouse.10. Towns Fund Youth and Retraining Pledge project.11. Norfolk Devolution Deal.12. UK Shared Prosperity Fund and Rural England Prosperity Fund. <p>Empty retail properties/town centre decline</p> <ol style="list-style-type: none">1. Continued support to businesses through hardship relief.2. Active management of lettings and promotion of a positive image of the town to potential businesses.3. Initiatives to promote the town to visitors, shoppers and businesses.4. Town Centre Partnership/BID.5. Transport and town centre studies.6. Bids for external funding such as Town Fund, Levelling Up, etc.7. Improvements to key access roads and junctions.8. Management capacity.9. Covid 19 response to reopening high street.10. Payment plans for commercial tenants.	<p>Local employment</p> <ol style="list-style-type: none">1. Local Plan review - employment land (current allocated land is unviable due to need to raise levels). Ongoing.2. Ongoing monitoring of Levelling Up proposals and support to increase the numbers of people to fulfil roles at all skill levels post-Covid/EU Transition. Ongoing.3. Apprenticeships/ training programmes encouraged within major housing contracts and sub-contractors, Mar 22. BCKLWN appointed 1 trainee. Ongoing.4. Explore options for innovation centres, advanced manufacturing centres of excellence, etc through Government funding. Ongoing.5. Shared Prosperity Fund and development of West Norfolk Investment Plan to improve work-based skills programme. Implementation ongoing. Final year 2024/25 of SPF funding prior to transfer to NCC (subject to devo deal), influencing priorities for investment, agreed by Cabinet e.g. funding Boost project.6. Consideration of Youth and Re-Training Pledge Project and broader role going forward. Ongoing. <p>Empty retail properties/town centre decline</p> <ol style="list-style-type: none">1. Actively identifying opportunities to repurpose vacant retail units including conversion to residential and creating flexible pop up retail opportunities for micro-businesses/niche retailers plus community based organisations. Ongoing.2. Implementing approved business cases for MUCH, Guildhall and Riverfront. Ongoing3. Explore alternative purposes for King's Lynn Town Centre - Town Investment Plan viewing the town centre as a multi-purpose destination rather than just retail. Ongoing.4. Development of the car parking strategy. Ongoing.5. Levelling Up Fund (LUF) submission for replacement of Oasis, Hunstanton. Unsuccessful bid and Govt allocated funding to areas unsuccessful in round 2 of Levelling UP, options under review.6. Proposals submitted for DLUCH and Devolution funding. Ongoing.

Existing Mitigation and Controls	Planned mitigating actions
<p>11. Change in use class Order E. 12. Town Investment Plan. 13. Brownfield land within town centres released for housing. 14. Towns Fund approved business case for Active and Clean Connectivity, Public Realm improvements, Guildhall, MUCH and Riverfront.</p> <p>5 year land supply, housing delivery and housing delivery test. 1. 5 year plan (subject to delivery of Parkway and Lynnsport 1 developments). 2. Work on the LDF to ensure the Council can evidence that sufficient land is available. 3. Also approve applications to boost the supply in the short-medium term.</p> <p>Housing market 1. West Norfolk Property Limited able to take over any surplus housing stock to rent out until the market picks up, if needed. 2. NORA Phase 4 - 50% of development will be rented properties. 3. A viability review of the market will be carried out before the decision to commence each phase is taken.</p> <p>Strategic land and property acquisition 1. Continue to identify, and acquire, property/land for future development/investment. Failure to do so leads to the risk of missed opportunities and associated loss of potential income. 2. Officer Major Projects Board in place to assist in coordination and oversight of developments. 3. Member Major Projects Board. 4. Land and property due diligence checks.</p> <p>West Winch/North Runcton Strategic Growth Area 1. Project and programme management approach. 2. Stakeholder engagement. 3. Commissioning technical expertise. 4. Communications and engagement support. 5. Norfolk County Council undertaking the design and planning permission for the road. 6. Successful bid approved by Norfolk Business Rate Pool. 7. Link with Officer Major Projects Board. 8. Project board established.</p>	<p>7. High Streets taskforce project. Ongoing.</p> <p>5 year land supply, housing delivery and housing delivery test 1. Supporting the Local Plan review process. Ongoing.</p> <p>Housing market 1. Monitor for potential signs that the increase in prices/labour force issues impacts upon the development sector and contingencies within contract sums. Ongoing. 2. The percentage of PRS delivered on major housing sites will be reviewed in the light of current market conditions. Ongoing. 3. Monitor Help to Buy policy developments. Ongoing.</p> <p>Strategic land and property acquisition 1. Consider the council's development role and related pipeline of land for future housing development. Ongoing. 2. To ensure that we maximise our own opportunities for example Boal Quay, and Punny Drain and deliver sites that we already have e.g. Enterprise Zone and development opportunities along the promenade if the Oasis sites releases land. Ongoing. 3. Review the delegated decision (Capital and Local Property Investment Fund Strategy 2017 – 2021, Cabinet 21st January 2017) for property acquisition.</p> <p>West Winch/North Runcton Strategic Growth Area 1. Stakeholder engagement. Ongoing. 2. Clarification of resources via Homes England.</p> <p>Improvements to heritage buildings 1. Delivery of Guildhall Towns Fund business case. Ongoing. 2. Delivery of Riverfront Towns Fund business case. Ongoing.</p>

Existing Mitigation and Controls	Planned mitigating actions
<p>9. External legal and professional advice. 10. Periodic review of potential state aid issues. 11. SOBC bid in for DfT funding for the road. Improvements to heritage buildings 1. Identify and apply for relevant 3rd party funding. 2. Most large investment projects for historic buildings have already been completed in the past. 3. Ensure provision is made in the Capital and Property Investment Strategy and Financial Plan to enable the Council to meet any fund matching required by 3rd party funding. 4. HAZ Programme Manager in place (programme ends July 2022). 5. Towns Fund projects; Guildhall, Riverfront and Public Realm 6. Southgates masterplan.</p>	
Progress	
<p>Local employment Land at Downham Market and NORA is actively marketed. The KLIC has a stable but high occupancy. A marketing plan for the Nar Ouse Business Park Enterprise Zone implemented. Nar Ouse site infrastructure & Phase 1 premises construction progressing. LEP financing helps to de-risk the development. Engagement with the BID. Early interest shown by several local companies seeking to expand. Ongoing uncertainty arising from macro-economic events may delay company investment decisions and employment levels. Management restructure strengthened focus on regeneration. External funding being progressed via sources such as Towns Fund, Levelling Up and UKSPF. New businesses enquiries being received and a role to open up new allocated employment land in Borough. Pressures upon resilient supply chains continue. Local evidence of high vacancies within some employers. National data indicates more vacancies than labour supply in many sectors. Rising cost of living placing pressures on households with potential consequences for spending in the local economy. Inflation leading to rising business costs coupled with interest rate increases. West Norfolk Investment Plan proposes a package of investments to help drive the economy and related outcomes. Employment rates remain high and the town's strong manufacturing base underpins its status as a centre for sub-regional employment. Annual Visitor Economy Report indicates sustained increase in GVA. Signs of decline of large national multiples and growth in independent businesses. Performance indicators highlight commercial property arrears and challenges faced by some tenants, town centre parking levels have recovered from Covid-19 lows. UKSPF West Norfolk Grant Scheme and West Norfolk Rural Business Capital Grants operational in 2023.</p> <p>Also link to Risk SR9 - Organisational change.</p> <p>Empty retail properties/town centre decline National retail statistics indicate reductions in town centre footfall compounded by ongoing economic uncertainty and behavioural shift to online shopping. Range of national retailers and hospitality businesses reducing their town centre operations. Events programme and initiatives to promote the town recommenced. Opportunities to improve new housing delivery in the town centre. Town centre car parking remains below pre-Covid-19 levels. Some signs of churn within town centre premises and property market.</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>Town Deal Repurposing project indicates that a few large King's Lynn town centre premises closed due to wider economic factors but businesses are churning. Market failure does not appear to be demonstrated in King's Lynn relative to other towns due its unique geopolitical and economic attributes. Project funding reallocated from Towns Fund but continuing to look at alternative funding options.</p> <p>Cost of living challenges may reduce household disposable income and impact upon some businesses. Risks around low consumer confidence could negatively impact retail and hospitality.</p> <p>No opportunity to submit a Round 3 Levelling Up Fund submission. Proposals submitted for DLUCH funding. Western access road to NORA, link to Active Travel Hub site and School of Nursing, 2 second floor facility. Projects also linked to Norfolk County Council Devolution and additional £10m funding but decision on distribution methodology awaited.</p> <p>High Streets taskforce project and proposals on purpose/function of town centre in progress including workshops.</p> <p>Discussions with private sector owners of town centre retail premises in respect of alternative forms of development ongoing.</p> <p>Submission being developed for Long Term Plan for Towns funding and additional preparatory work involving reshaped King's Lynn Town Board.</p> <p>5 year land supply, housing delivery and housing delivery test</p> <p>New housing delivery target of 95%, BCKLWN performance is 95% so no action plan will be required.</p> <p>National housing delivery figures published annually in November.</p> <p>Being assessed as part of Local Plan review process. Examination held in Nov 2022 and ongoing. Examination in process, hearing sessions resumed early 2024.</p> <p>Government proposing to change housing delivery test. Councils with an adopted Local Plan will only need to demonstrate a a 4 year housing land supply.</p> <p>Housing market</p> <p>Exit strategy being developed by West Norfolk Property Company for private rented sector properties from major housing schemes. Link with the Accelerated Construction Programme. Seven additional sites being developed and brought forward faster than the original programme. Need to balance market absorption rate across the range of developments. Potential external impacts leading to drop in house prices and demand, supply side issues affecting the construction industry and rental values.</p> <p>The tenure type on the remaining properties has changed and there is no longer a market risk associated with these properties. In terms of market housing, BCKLWN is main housing developer in the borough. Rents have remained high. Low stock of high quality properties. Few new homes or affordable homes available. Market absorption - end of Help to Buy scheme Dec 2022, sales completion by end Mar 23. Stamp duty changes had minor effect on local housing market. 80% of open mkt sales via Help to Buy. NORA4 - open market sales completed. Inflation and interest rates reducing home buying demand with potential for impact upon private sector rental values.</p> <p>Rapid house price inflation and anecdotal evidence of shrinkage of the private rented sector at a time of high demand leading to increased requirements for upfront and larger rental deposits. Private rents becoming increasingly unaffordable for low income households. Emerged early in 2022 and has continued. Evidence, locally and nationally, of an exodus of private sector landlords resulting in more pressure upon existing stock and feeding into difficulties for families accessing private rented properties which exacerbates homelessness.</p> <p>Signs of slowdown in national house building. Rental costs rising rapidly and consequences with PSL exiting the market and homelessness.</p> <p>Help to buy equity loan stopped - barrier to new homeownership but partially offset by cooling in house prices, wage growth and cooling of mortgage interest rates.</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>Strategic land and property acquisition Cabinet has considered reports relating to the acquisition of specific property/investment opportunities in King's Lynn town centre and around the South Gates. Additional member led governance via Member Major Projects Board.</p> <p>Work ongoing to broaden the range of development tools available to the council including taking options on development sites. Prudential Code changes prohibit investment for commercial returns.</p> <p>West Winch/North Runcton Strategic Growth Area Project team meetings, meetings with partners, project management approach to scheme development and implementation, use of external support to provide technical support and capacity. Extensive stakeholder engagement with MPs, MHCLG, Homes England, etc. Bid submitted to the Norfolk Business Rates Pool to contribute towards outline planning for the site, an equalisation agreement and supplementary planning document. External professional advice sought upon issues such as state aid. Strategic Outline Business Case submitted by Norfolk County Council and awaiting decision. Extensive stakeholder engagement undertaken in 2022 and scheduled for 2023. New requirements for Biodiversity Net Gain to be clarified.</p> <p>Improvements to heritage buildings The HAZ programme ended in March 2022 and no scheme related to heritage buildings has been completed. The opportunity through High Street HAZ was withdrawn as further opportunities did not materialise. Re-purposing work in the Town Investment Plan will not necessarily look at older at risk buildings. The preservation work on the Sommerfeld and Thomas warehouse (TIP) is the one of few projects to save historic assets.</p> <p>Activities related to the Guildhall and Riverfront are covered within approved Towns Fund business cases and earmarked for significant investment in addition to public realm improvements. This will help mitigate risks regarding heritage assets.</p> <p>Southgates masterplan work progressing and Levelling Up bid approved.</p> <p>Potential for Norfolk Devolution Deal contribution to growth in the borough.</p>	

Risk name: 4 - Community issues

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.

Existing Mitigation and Controls	Planned mitigating actions
<p>Community relations</p> <ol style="list-style-type: none">1. The Council works closely with partner agencies in the area to make sure that any issues are identified and effectively tackled as soon as possible.2. External funding bids with partners.3. Agreement with Shelter.4. PREVENT task group and workstreams.5. Prevent awareness training provided to employees. <p>Preventing homelessness</p> <ol style="list-style-type: none">1. Staff capacity.2. ICT development to support case management.3. Support commissioned from voluntary and community sectors.4. Partnership and network arrangements.5. Communications support.6. Accommodation options improved by Broad Street.7. Reduction in working age population.8. Housing Market Assessment to be undertaken, Dec 2023. Ongoing. <p>Conflicting aims (with partners)</p> <ol style="list-style-type: none">1. Clarify and agree with partners what the common targets are and how achievement of them will be recognised.2. Terms of Reference or SLA's are agreed for each group to define the aims and respective roles and focus on core services plus specific projects.3. Ensure active participation on relevant Boards/ Groups.4. Norfolk Resilience Forum response and recovery work.5. King's Lynn Town Deal Board and Local Assurance Framework.6. Hunstanton Advisory Group established.7. King's Lynn Town Deal Skills Forum.	<p>Community relations</p> <ol style="list-style-type: none">1. Housing availability for vulnerable residents. Ongoing. <p>Preventing homelessness</p> <ol style="list-style-type: none">1. Asylum seekers - potential placings under review, Mar 20222. Consider impact of proposed legislation on second homes (Review impact of second homes measures and exemptions within the Levelling Up Bill).3. Consideration to be given to re-examining social housing provision and exploration of measures to mitigate the reduction in private rented sector capacity. Refocus efforts on providing additional social and private rented housing. Now considering acquiring housing from third parties for both affordable and PRS given the acute need for both tenures. Ongoing.4. Refresh housing needs assessment, Spring 235. Identification of additional temporary accommodation with Freebridge.6. Measures with Freebridge to support quick void turn around.7. Reid Way - 7 new units to be developed.8. Financial help to access private rented sector.9. Winter preparedness plans. <p>Conflicting aims (with partners)</p> <ol style="list-style-type: none">1. Ensure comms focusing on neutral and factual stance and related to implementation of Govt policy. Ongoing2. Work with Hanseatic Union to implement and provide measures to support refugees and support in a neutral way. Ongoing3. Internal comms to be mindful of potential for tensions should the Council be perceived to be biased. Ongoing.4. Consider contingency plan for potential loss of Fenland care and repair contract. Dec 2022. Ongoing.5. Consideration for potential loss of Household Support Fund. Ongoing.

Existing Mitigation and Controls	Planned mitigating actions
<p>8. Shared Prosperity Fund stakeholder groups established.</p> <p>9. Norfolk Climate Change Partnership.</p> <p>10. Health and Wellbeing Partnership established and terms of reference agreed.</p>	<p>6. Introduction of revised Council Tax support scheme. Ongoing.</p>
<p>Progress</p>	
<p>Community relations Council works closely with the police and Freebridge in Safer Neighbourhood action panels and the neighbourhood officers are now a formal part of the joint Operational Partnership Team. Our agreement with Shelter has allowed for a more effective response to issues of harassment and illegal eviction. Multi-agency responses to Ukraine and cost of living with support for vulnerable households. ASB represented on PREVENT task group and workstream. Engagement with Integrated Care System to encourage prevention and wider involvement of health. Continued support for asylum seekers. Potential impact upon homelessness response and perceptions of support. Potential challenges for refugee support related to host/sponsor relationships, desire to move on, etc. Work ongoing at county level. Equality Impact Assessments on housing funds. Cabinet report 31 Oct 2023 - support for care leavers.</p> <p>Preventing homelessness Current issues:</p> <ol style="list-style-type: none"> 1. Increased pressures arising from housing market changes related to changing lifestyles prompted by Covid-19 and home working compounded by a rapid change in private rental market capacity with landlords selling properties given buoyant house prices. 2. Potential issue that housing availability and support may not be in place in the future for refugees that are seeking to move on from their current accommodation. 3. Impact of refugee accommodation compounding and already stretched private rented sector market, increasing pressure on communities. 4. Cost of living pressures increasing likelihood of loss of tenancies and increase in homelessness applications. 5. Slow void turnaround time of social stock and low levels of existing social stock. <p>Discussion with council owned housing companies; aware of nature and scale of issues. Exploring related crisis intervention and funding with partners. New Homelessness and Rough Sleeping strategy in development and will include a deep analysis of problem, consideration of interventions and trial new accommodation services. More Govt resources dedicated towards challenge - ringfenced Homelessness Prevention Grant. Lack of social housing stock continues resulting in a high level of bed and breakfast usage. Further national challenges arising from stock condition surveys, damp and mould surveys, a new Decent Homes Standard, EPC ratings and rental cap. Changes in taxation and interest rates leading to a widening gap between Local Housing Allowance and private sector rents. Housing Market Assessment to be procured and undertaken, Dec 2023. Anecdotal data suggests changes in family living arrangements becoming more prevalent.</p> <p>Conflicting aims (with partners) Engagement with Norfolk and Waveney Integrated Care System / Integrated Care Partnership. Collaborative work with members of Norfolk Climate Change Partnership and working on a Norfolk-wide project. Ongoing dialogue with Norfolk County Council regarding devolution and Government funding streams e.g. Towns Fund, Levelling Up, Shared Prosperity Fund. Further examples include Ukraine response with neighbouring councils despite differences in funding,</p>	

Existing Mitigation and Controls	Planned mitigating actions
<p>liaison between organisations represented on the Town Deal Board, Business Rates Pooling and Hunstanton Advisory Group. Development work with the Health and Wellbeing Partnership.</p> <p>Israel/Gaza - minor signs of community issues.</p> <p>Household Support Fund due to end March 2024. Council Tax support scheme 100% support introduced in 2024. Increasing financial pressures on some community care service providers - support being considered but early days. Consultation with Norfolk County Council regarding Lily indicate potential challenges to other support services.</p>	

Risk name: 9 - Organisational change

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.

Existing Mitigation and Controls	Planned mitigating actions
<p>Capacity</p> <ol style="list-style-type: none">1. Use of agency and interim staff.2. Improve staff resilience/ cross training.3. Service and management restructures and related recruitment and development.4. Absence management.5. Use of apprentices.6. Use of external support for Towns Fund business case development, subsidy control and independent appraisal.7. Review of Planning resource and additional posts.8. New Executive Director post.9. Restarted management development programme.10. Progression scheme for a range of specialist roles.11. Apprenticeship opportunities to develop resources. <p>Channel shift/Digital services</p> <ol style="list-style-type: none">1. Engage with the operational staff and systems admin, who understand the back office system.2. Involvement in Norfolk County Council digital inclusion strategy. <p>Pay pressures</p> <ol style="list-style-type: none">1. Government's public sector pay restraint has had an impact on recruitment and retention for some Council services. Government policy for 2021 was a pay freeze in the public sector. Signs of some relaxation of national public sector pay policy in certain areas which could have a further impact on our ability to recruit and retain suitably qualified and experienced staff in certain areas. This in turn could prompt the need to review local pay arrangements, with associated financial implications.2. Ongoing monitoring of Government public sector pay policies.	<p>Capacity</p> <ol style="list-style-type: none">1. Review recruitment issues. Ongoing and responsive to requirements and market conditions.2. Considering progression schemes across service areas. Ongoing.3. Senior officer recruitment activities commenced. Ongoing.4. Comms plan for senior officer changes. Ongoing.5. Recruitment of Chief Executive. Completed.6. Transformation Board and work programme to be established. Ongoing. <p>Channel shift</p> <ol style="list-style-type: none">1. Migration to Office 365, Mar 232. Developing Microsoft Sharepoint InSite linked to the cloud, Mar 233. Engaging with staff re: developments to Insite to improve internal comms and document sharing, Mar 23.4. Learning workshops for ICT staff on Sharepoint, Mar 235. Review of different methods of interaction with customers with different services. Ongoing.6. Undertaking a review of internal communications. Ongoing.7. Working group on Sharepoint/Insite. Ongoing. <p>Pay pressures</p> <ol style="list-style-type: none">1. Monitoring of national pay award. Ongoing.2. Some roles requiring particular qualifications are being considered in advance of future recruitment, Ongoing.3. Appropriate allowances for pay to be made within the budget and financial plan. Ongoing.4. Monitoring of recruitment challenges and introduction of progression schemes. Ongoing.5. S151 Officer to review the financial implications and identify funding of the proposals. Ongoing.6. Consider implications for erosion of pay differentials in respect of improving recruitment and retention. Ongoing.

Existing Mitigation and Controls	Planned mitigating actions
Progress	
<p>Capacity Established training regime to enable colleagues to cover for each other's absences. New procedures developed with Senior Leadership Team for engagement of external workers. Some signs of turnover increasing, need to improve attractiveness and competitiveness to attract candidates. 6 months notice given by CExec to provide time for recruitment, Sept 2024. Several senior officers retiring within next 6 months with related recruitment activity. Comms plan developed in response. Recruitment activities implemented. 23/24 May interviews scheduled. External company, Penna supporting process. Previous structural changes introduced additional ED role supported by comprehensive and experienced AD team. Interim working arrangements for transition period being planned such as scheme of delegation.</p> <p>Channel shift Work is concentrating on customer facing aspects to engage fully with the public and reduce the need for more staff intensive means of communication, such as telephone enquiries. Customer contact migrated to telephones/online which are more cost effective methods. Work is ongoing with Environmental Health to achieve full integration with IDOX. Represented on a pilot project being undertaken in west Norfolk relating to digital access skills and attainment, which is part of the county council's strategy programme. Working group to be established regarding corporate use of Sharepoint software including InSite intranet development. Consultation with community linked with Peer Review action plan (first section of PR action plan check with Mark and Marmot Place).</p> <p>Pay pressures Continue to closely monitor the Government's public sector pay policy and pay settlements agreed in the wider public sector/private sector. Provision for some movement in pay costs has been included in the financial plan. There is a timing risk related to determination of local pay award arrangements and national pay agreement. National employers not responding to pay claims until after local authority elections.</p>	

Risk name: 14 - Cost of living

Risk score = 20

Impact: Major (4)

Likelihood: Almost certain (5)

Description: The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.

Existing Mitigation and Controls	Planned mitigating actions
<ul style="list-style-type: none">1. Standing item on Management Team.2. LGA cost of living hub https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub/cost-living-external-resources3. Corporate officer team established.4. Promotion of fuel oil group buying scheme.5. Promotion of Solar Together group buying scheme.6. Promotion of national grants e.g. boiler upgrade scheme.7. Externally funded projects to fully fund insulation in targeted properties.8. "Beat your bills" events across the borough.	<ul style="list-style-type: none">1. "Beat your Bills events". Initial events completed. Further programme of events. Ongoing.2. Officer Working Group. Review of remit. May 2024.3. FAQs analysis undertaken, content developed and posted to the website. Regularly updated. Ongoing.4. Reviewing promotion of information to foodbank, web content, town centre events. Ongoing work and preparations for information and support for winter 2023/24. Completed.
Progress	
Corporate officer group remit to be reviewed in May 2024. Promotion of schemes to reduce energy costs e.g. fuel oil buying and installation of solar PV and battery storage. "Beat your bills" events held across borough in Sept 2022 and extended programme scheduled. Collaboration with Norfolk Warm Homes to encourage targeted take up of insulation and heating systems. Information included employees, residents and customers. Website analysis of search hits undertaken to inform future content. Government extended Householder Support Funding in Budget 2024. Energy prices reducing.	

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

Ref	Title	The risk that:	Score
2	Significant programmes/projects	Impact on the delivery of council services due to the failure of major programmes/projects. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.	12
5	Continuity of service	The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.	12
6	Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or business critical information or breach of information governance legislation.	12
7	Corporate Governance	The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.	12
8	Reputation management	The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver corporate business plan.	12
10	Climate change mitigation and adaptation	Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.	12
11	Statutory compliance	Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations.	12
12	Council owned companies	Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.	12
13	Contract/ Supply failure	Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	12

APPENDIX 2 - After May 2024 review

33 LIKELIHOOD

5 Almost Certain	(Green)	(Orange)	(Red)	(Red) 1, 3, 4, 9, 14	(Red)
4 Likely		(Green)	(Orange) 8	(Red)	(Red)
3 Possible		(Green)	(Green)	(Orange) 2, 5, 6, 7, 10, 11, 12, 13	(Red)
2 Unlikely			(Green)	(Green)	(Orange)
1 Rare					(Green)
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme

IMPACT

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

APPENDIX 3 - Corporate risks in score order

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

APPENDIX 4 - Corporate risk removed from the register

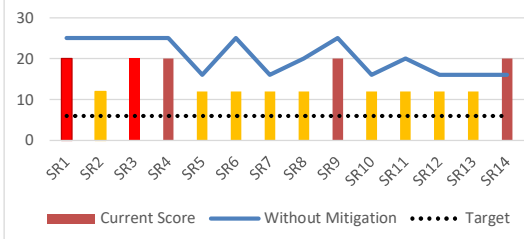
Title	The risk is that:	Risk removed
New regulations regarding HMOs	Managing private rented properties to be MEES compliant.	Aug 2022
Modern Slavery	An emerging national issue has local impacts within the Borough given its demographic and economic profile.	Aug 2022
Financial ledger software implementation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

Risk Register Summary Aug 2023 - May 2024

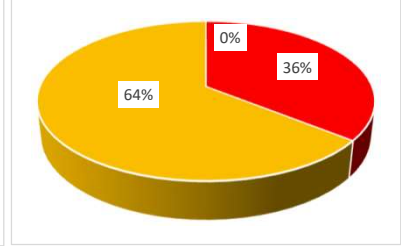
Score distribution

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

Current risk scores



Risk breakdown



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

SR3 - Facilitating and enabling growth					20	Impact					
						1	2	3	4	5	
The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.					Likelihood	5				C	W
						4					
						3					
						2			T		
						1					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain		W	Risk score Impact - Major Likelihood - Almost certain		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change		⇒

SR4 - Community Issues					20	Impact					
						1	2	3	4	5	
The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.					Likelihood	5				C	W
						4					
						3					
						2			T		
						1					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain		W	Risk score Impact - Major Likelihood - Almost certain		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change		⇒

SR9 - Organisational Change					20	Impact					
						1	2	3	4	5	
Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.					Likelihood	5				C	W
						4					
						3					
						2			T		
						1					
Inherent score without mitigation Impact - Extreme Likelihood - Almost certain		W	Risk score Impact - Major Likelihood - Almost certain		C	Target Score Impact - Moderate Likelihood - Unlikely		T	DoT No change		⇒

SR14 - Cost of Living					20	Impact						
						1	2	3	4	5		
The cost of living crisis caused by rapidly rising inflation (energy, food, household items, etc) and interest rates may result in more families and households experiencing poverty and unemployment, which may lead to increased levels of service demand on the Council and place additional pressure on front-line services, staff and councillors.					Likelihood	5						
						4						
						3						
						2						
						1						
Inherent score without mitigation Impact - Major Likelihood - Likely	W	Risk score Impact - Major Likelihood - Almost certain	C	Target Score Impact - Moderate Likelihood - Unlikely	T	DoT No change	⇒					

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

SR5 - Continuity of service					12	Impact					
						1	2	3	4	5	
The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.					Likelihood	5					
						4					
						3					
						2					
						1					
Inherent score without mitigation Impact - Major Likelihood - Likely	W	Risk score Impact - Major Likelihood - Possible	C	Target Score Impact - Moderate Likelihood - Unlikely	T	DoT No change	⇒				

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

SR7 - Corporate Governance					12	Impact					
						1	2	3	4	5	
The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.					Likelihood	5					
						4					
						3					
						2					
						1					
Inherent score without mitigation Impact - Major Likelihood - Likely	W	Risk score Impact - Major Likelihood - Possible	C	Target Score Impact - Moderate Likelihood - Unlikely	T	DoT No change	⇒				

SR8 - Reputation Management					12	Impact					
						1	2	3	4	5	
The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver corporate business plan.					Likelihood	5					
						4					
						3					
						2					
						1					
Inherent score without mitigation Impact - Major Likelihood - Almost certain		Risk score Impact - Moderate Likelihood - Likely		Target Score Impact - Moderate Likelihood - Unlikely		DoT No change		⇒			
		W		C		T					

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

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

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

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

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

Impact	Rating	Likelihood	Rating
Insignificant	1	Rare	1
Minor	2	Unlikely	2
Moderate	3	Possible	3
Major	4	Likely	4
Extreme	5	Almost certain	5

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 June 2024		
TITLE:	Internal Audit Progress Report		
TYPE OF REPORT:	For Information		
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>The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.</p>
<p>KEY ISSUES:</p> <p>The current position in relation to the completion of the Internal Audit Plan 2023/24 is shown within the attached report. The 2023/24 Internal Audit Plan is now complete. Two further limited assurance opinions have been provided.</p>
<p>OPTIONS CONSIDERED:</p> <p>N/a</p>
<p>RECOMMENDATIONS:</p> <p>The Audit Committee are requested to receive the Progress Report on Internal Audit activity.</p>
<p>REASONS FOR RECOMMENDATIONS:</p> <p>In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.</p>

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out progress with completing the 2023/24 Internal Audit Plan.

3. Issues for the Panel to Consider

Members should note progress with completing the Internal Audit Plan and the report executive summaries, particularly the limited assurance opinions provided for some areas.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note that the 2023/24 Internal Audit Plan is now complete and the executive summaries of final reports.

11. Background Papers

Appendix 1 – Internal Audit Progress Report

Eastern Internal Audit Services



Borough Council of King’s Lynn and West Norfolk

Internal Audit Progress Report

Period Covered: 1 December 2023 to 31 May 2024

**Responsible Officer: Teresa Sharman – Head of Internal Audit for the Borough
Council of King’s Lynn and West Norfolk**

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1. INTRODUCTION 1

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN 1

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK 1

4. THE OUTCOMES ARISING FROM OUR WORK 1

APPENDIX 1 – FINAL AUDIT REPORT EXECUTIVE SUMMARIES 4

1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards requires the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from audits; and
 - Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the Internal Audit plan's approval in March 2023, three audits have been removed from the Plan during 2023/24 as detailed in the table below: -

Audit description	Nature of the change
KLWN2309 Organisational Development – Training	This audit has been deferred to the 2024/25 audit plan. Internal Audit plan at the suggestion of senior management. Due to the Local Government Association (LGA) Peer Review an external review of organisational development has been commissioned. The results of this are to be fed back to Internal Audit from Becky Box (Assistant Director, Central Services) for the Annual Opinion.
KLWN2305 Cost Management Programme	This audit has been deferred to the 2024/25 audit plan to allow progress to be made with the actions.
KLWN2321 IT Governance	This audit has been deferred due to a number of both external and internal audits that had taken place over the year and the need to develop an IT Strategy.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 All of the work in 2023/24 has been completed.

4. THE OUTCOMES ARISING FROM OUR WORK

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

Substantial Assurance: Based upon the results of the review there is a robust series of suitably designed internal controls in place upon which the organisation relies on to

manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Reasonable Assurance: Based upon the results of the review, there is a series of internal controls in place, however these could be strengthened to facilitate the organisations management of risks to the continuous and effective achievement of the objectives of the progress. Improvements are required to enhance the controls to mitigate these risks.

Limited Assurance: Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

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

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

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

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

- 4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

- 4.4 During the period covered by the report, 10 reports have been issued in final and one in draft, and three position statements:

Audit	Assurance	High	Medium	Low
KLWN2319 Community Infrastructure Levy	Reasonable	0	1	4
KLWN2313 Public Open Space incl. play areas, tree management	Limited	3	2	3
KLWN2308 Payroll and HR	Substantial	0	0	0
KLWN2315 Housing Standards / HMO	Reasonable	0	1	7
KLWN2301 Corporate Governance	Reasonable	0	4	7

KLWN2311 West Norfolk Housing Company Ltd	Position Statement	N/a	N/a	N/a
KLWN2317 Economic Growth	Reasonable	0	1	2
KLWN2314 Waste Management	Reasonable	0	1	0
KLWN2312 West Norfolk Property Ltd	Position Statement	N/a	N/a	N/a
KLWN2310 Capital Programme	Limited	4	6	3
KLWN2322 IT Security – Follow Up of Cyber Security Risks	Position Statement	N/a	N/a	N/a
KLWN2316 Homelessness and Housing Options	Reasonable	0	1	1
KLWN2302 Key Controls	Reasonable	0	3	9
KLWN2306 Council Tax and NNDR	Substantial	0	0	1
KLWN2307 Local Council Tax Support and Housing Benefit	Substantial	0	0	2

The Executive Summary for this report is provided at **Appendix A**, a full copy of this report can be requested by Members.

- 4.5 As can be seen in the table above, as a result of these audits, 66 recommendations have been raised and agreed by management.

APPENDIX A – FINAL AUDIT REPORT EXECUTIVE SUMMARIES

Executive Summary – Community Infrastructure Levy (CIL)

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Appropriate governance controls are in place.	None		
2. Appropriate controls are in place for the assessment of CIL project applications.		1	2, 3 & 4
3. Appropriate controls are in place for the recording and management of CIL projects, including relevant 'trigger points'.			5
4. Appropriate management reporting and monitoring is in place regarding CIL project costs and timeframes.	None		
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

One medium priority recommendation has been raised as follows:

- When quotations are requested / provided by the applicants, these should be subject to the same Procurement rules as the rest of the Council. For the relevant values the Contract Standing Order (CSO) regulations and thresholds should be applied when asking for / receiving quotations for works.

Amend the wording on the online application form which asks for a Summary of Expenditure to ensure the guidance notes provided to the applicant are followed through to the application process.

Consider amending the wording to: -

"Please provide all key financial information about the project including Financial details on expected expenditure, which MUST include the following: -

- summary of proposed costs
- details and copies of quotes, to demonstrate that the funding request has been researched
- Any other supporting information e.g., Project Report and Timescales."

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

- If in future the CIL Spending Panel wishes to review and revise the scoring criteria for projects, this should be undertaken prior to the start of the year, rather than mid-year amendments in line with the update of the Governance and Spending Document.
- Where the Project Application Form asks an applicant for "Evidence of Need" and associated supporting documentation, consideration should be given to amend the form so that "Tick Boxes" are included to represent the various "Evidence of Need". This should then aid in scoring the projects consistently and would provide mitigation for any appeals raised against unsuccessful projects by applicants.
- The auditor would suggest the CIL Officer and CIL Spending Panel, if there is a concern about the Match Funding scoring, consider changing the scoring to the following: -

Amount of funding committed to the project by applying any match funding:

- 1 – 20% = 1 Point
- 21 - 40% = 2 Points

- 41 - 60% = 3 Points
- 61 - 80% = 4 Points
- 81+% = 5 Points

The auditor would suggest considering applying the above scoring and reviewing this after two rounds to ascertain if the concerns have been allayed.

- Successful Applications should only be validated when a Funding Offer Letter and formal legal agreement, is signed by both required signatories and returned.

Good Practice and Other Points to Note

- Members are made aware of CIL Governance and Spending via the CIL Spending Panel and report to Cabinet.
- The application form on the Council's website details the required information to comply with the CIL Regulations.
- Projects are documented and recorded within the Council's systems, and these systems are secure by means of access rights and roles and responsibilities allocated by the system administrators.
- Trigger Points, although initially included within the Terms of Reference for this audit, were found during testing to be related to the Development Phase of CIL which was covered in the previous audit of 2018/19, and all recommendations arising have now been actioned successfully.

Executive Summary – Public Open Space (inc. Tree Management)

Our Opinion

Limited Assurance

Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Appropriate governance controls are in place.	1, 2, & 3		6, 7 & 8
2. Appropriate management reporting and monitoring is in place.	1 & 3	4 & 5	
3. Appropriate controls are in place for the recording and management of tree numbers.	3	4 & 5	
4. Appropriate risks have been identified and are managed effectively	1		
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

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

- The expected five-year review of progress towards the initial key policies should be undertaken as soon as possible, to enable the Council to fully understand its current position in relation to the initial strategy document. This will then allow the Council to develop the new Tree & Woodland Strategy from 2027 onwards.

When undertaking this review, new documents regarding the original three appendices from the Tree & Woodland Strategy will need to be developed.

- When the relevant documents relating to Tree Management have been updated, all appropriate policies, plans and strategies should be updated accordingly.
- The new Arboricultural Officer should review the current Tree Management recording system and ascertain whether there are more effective and efficient systems available.

These systems may allow more interaction with other current Council systems and allow timely reporting for management and Members.

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

- KPI's should be included within Directorate Plans to monitor, report, and ensure Tree Priority targets are being met and achieved within the anticipated timescales.
- The Service Area should ensure that it can monitor, and report appropriately, on information / data relevant to the Key Priorities within the Tree & Woodland Strategy.

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

- The area of Appendix 5 Contract and other formalities – Prevention of Corruption - 4.10.3 on page 25, within the Contract Standing Order document, should be amended to include mention to all relevant Council policies on Fraud and Corruption.
- Reference to adherence of relevant Council policies should be included within the generic ITT document covering Prevention of Corruption (Section 18). Wording used should be similar to that included within the Contract Standing Orders.
- When the next ITT for the procurement of Tree Surgery Framework is written, included within the documentation and costs required should be a schedule of rates for works undertaken, including day rates for ad-hoc works. This would enable the Council to ensure the best value for money for each works undertaken within the framework agreement, by any contractor it selects for the works required.

Good Practice and Other Points to Note

- Where Health and Safety checks are undertaken on trees within the borough, by the designated contractor, these records are documented, and any actions assigned to an appropriate person with an agreed timescale for completion. These actions are then also monitored and reported on until the action is completed.

Executive Summary – Payroll and HR

Our Opinion

Substantial Assurance

Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Differences/variations in pay greater than 5% from the previous month are reviewed and authorised.	None		
2. Appropriate checks are undertaken of the payroll data file prior to payroll processing, including review of third party payments.	None		
3. Appropriate reconciliation process is in place between the payroll data file and the Financial Management system so as to identify any potential errors.	None		
4. Sickness absence payments are correctly recorded and authorised in a timely manner so that correct payments are made to officers, in line with Authority policy.	None		
5. Expenses claims made to the payroll system via Expenses on Demand are accurately calculated and allocated.	None		
6. Queries raised by BCKLWN with Bedford B.C. have been resolved appropriately.	None		
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

- No recommendations have been raised during this audit.

Good Practice and Other Points to Note

- Pay variations and advancements are appropriately reviewed, authorised, and documented accordingly.
- The payroll data file, and third-party payments, are appropriately checked prior to processing.
- The payroll files are processed to Bedford Borough Council, and received back from Bedford Borough Council, within the designated timescales.
- There is a robust reconciliation process for the Payroll and Finance systems, to identify any potential errors.
- Sickness payments are recorded and authorised in line with Council policy.
- Expenses on the EOD System are appropriately authorised, accurately calculated, and allocated.
- Queries between BCKLWN and Bedford B.C. are being managed effectively by the Corporate Governance Team.
- Annual PrP and COL calculations are verified by Internal Audit, prior to payment processing.

Executive Summary – Housing Standards

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Appropriate governance controls are in place.			2 & 3
2. Appropriate controls are in place for the recording and management.		1	4 & 5
3. Appropriate management reporting and monitoring is in place.			5 & 6
4. Appropriate risks have been identified and are managed effectively.		1	7 & 8
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

A medium priority recommendation has been raised as follows:

- A standard inspection form should be developed, to ensure consistency with inspection ratings, and to mitigate any complaints that may be raised against the inspection process/rating. (This was previously included within a recommendation from the Housing Standards audit 2021/22). This could be the Inspection Sheet from the Housing Standards Manager.

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

- The Visio process notes should be reviewed, to ensure that for each process within the folder, the workflow maps are accurate, up-to-date and in line with current legislation, regulations, and best practice guidance.
- The Visio process documents should be included as part of the induction process for new officers within the department. This would ensure that they are aware of the general processes which should be followed for the various aspects of their role. Recently recruited officers (within the last 12 months) to the department should also be made aware of the Visio processes, to ensure they are familiar with the expectations of their role.
- Consider amending the HMO Licence application form online as there were some areas of repetition and unclear about the information that is required to be included. For example, we found repetition regarding "Details of proposed licence holder" and clarity around a particular field on the form that was required to be completed (Number of households presently occupying the HMO).
- Enhance the wording on the back of the invoices and embolden the word 'Customer ID' to read "**Always** quote your **Customer ID** and send remittances to remittances@west-norfolk.gov.uk".
To reduce the number of payments in abeyance, which could be allocated to the incorrect department/customer, the Housing Standards department should include on the invoices (within the Purchase Order No. area) a reference that follows the format of HS 23/001 (which is the departmental case reference number) rather than using their budget code.
- The link to '**Management of HMOs**' on the BCKLWN Website needs to be reviewed as there is no obvious location within '**Houses in Multiple Occupation**' in order to access that page. This could be part of a wider departmental review of links / information on the website.
- The wording on the CRR for SR11 – SR13, specifically in the column 'The risk is that:', does not appear to read correctly. In that, the narrative details a control(s) rather than explain what the risk to the authority would be. Consider amending the wording on these three risks.

- Inclusion of a KPI, or at least a departmental PI, should be considered so there is some information regarding Energy Efficiency projects if/when details about projects are requested.

Good Practice and Other Points to Note

- The HMO Licence application process is clearly set out in steps on the council website under the 'Apply for an HMO licence', accessible and informative for the general public, and has a link which takes you to the application.
- Officers within Housing Standards have a target of reviewing Part 1 of the HMO Licence Application within the first 5-working-days of completing this section, ensuring applications are determined in a timely manner.
- The department has a process in place to allow them to highlight and manage any areas of concern that arise when undertaking inspections of the HMO properties.

Executive Summary – Corporate Governance

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. The Council's Constitution accords with relevant regulatory guidance and legislation, Financial Regulations and Scheme of Delegation.		1, 2, 3, 4	5, 6, 7, 8, 9
2. Appropriate Committee structure in place providing adequate governance arrangements, with Terms of Reference in place for all Committees.		4	7, 10
3. Decision making is undertaken in accordance with the Council's Constitution.	None		
4. Robust risk management arrangements are in place to identify potential risks associated with governance and to put effective mitigating actions in place.			11
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

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

- All Tier 1 and Tier 2 policies be held centrally on InSite, the appropriate approval process be followed for all Tier 1 policies, policies be subject to regular review, and Tier 1 and 2 policies comply with the Policy Guidelines.
- A clear process drafted for inclusion in the Policy Guidelines for determining which policies are to be classed as Tier 1 and therefore require formal adoption by Cabinet. The list of Tier 1 policies on InSite be updated to record current Tier 1 policies.
- Compile a policy on the Declaration of Interests, Gifts & Hospitality relating to officers.
- Update the Officers' Code of Conduct to include the process for the declaration of interests by officers, key corporate policies that officers need to be aware of, and review date. Publicise the Code in Internal Affairs and mention the Code specifically in the staff induction programme.

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

- The minimum amount at which officers and Members are required to declare gifts and hospitality be set at the same level i.e., £25.
- Members' Declaration of Interests forms to be completed fully by Members.
- ToRs for Committees, Boards and Panels to state the date of their last review, frequency of review, date of next review and the frequency of their meetings.
- Constitution to be updated to include the current version of the Audit Committee's ToR and include provision for cancelled committee meetings.
- Code of Corporate Governance to state the frequency of review and the date when it is next due for review.
- Members' Code of Conduct to include details of the process to be followed for dealing with issues of poor attendance at meetings by Members, state frequency of review and when next due for review.
- The mitigations and controls in the Corporate Risk Register to address the "corporate governance" risk as stated in the risk register.

Good Practice and Other Points to Note

- No current formal mechanism or structure in place incorporating both officers and Members for the review of the Constitution. However, the Authority is in the process of putting a mechanism in place whereby a Constitutional Informal Working Group (CIWG) comprising a group of Members will be set up to review the Constitution on a continuous basis.
- From the municipal year 2024/25 onwards, the CIWG will report to the Corporate Performance Panel (CPP) at least once a year with proposed changes to the Constitution, enabling Full Council approval at year end. The group will comprise seven Councillors who are not Cabinet members and two Councillors who are Cabinet members. The group will be supported by the Monitoring Officer and the Democratic Services Manager; meetings will be held no less than four times a year.
- The current version of the Constitution, dated August 2023, is available on the Council's website.
- The Constitution details the composition, Terms of Reference (ToR) and the functions of each Committee, Board and Panel within the Council.
- The formal annual timetable for Committee meetings is prepared by Democratic Services a year in advance.
- Responsibility for the maintenance of the majority of Tier 1 and Tier 2 policies transferred to the Corporate Governance Team (CGT) in October 2023. CGT are to set up a timetable for the review of all policies; the aim is to have all policies reviewed on an annual basis and have delegated authority to make minor changes to policies thereby avoiding going through Cabinet. A Governance & Compliance Officer has recently been appointed to the CGT thereby providing additional resource to undertake this work.
- Members' attendance at meetings is recorded and monitored; the Council has a process for dealing with instances of poor attendance by Councillors.
- Members are required to declare any relevant interests at committee meetings.
- Corporate Performance Panel is responsible for subjecting Cabinet recommendations and delegated executive decisions/recommendations to review and scrutiny. Cabinet and delegated executive decisions are also subject to scrutiny via the "call-in" process.
- The Members' Code of Conduct is reviewed annually, communicated to Members and held on the Council's website.
- Delegated decisions are made by officers and Members in accordance with the Scheme of Delegation.
- Officer Delegated Decisions and Cabinet Members Delegated Decisions are published on the Council's website.

Executive Summary – West Norfolk Housing (Position Statement)

No. of Suggested Actions
4

Summary of Suggested Actions
<p>A total of four suggested actions have been raised with the aim of enhancing WNHC;</p> <ul style="list-style-type: none">• The Service Level Agreements (SLA) to be dated, signed and ALL costs (including Legal Costs) to be included. Details about when costs will be reviewed, ideally annually, in line with indexation and Council COL increases.• The Shareholders Agreement document to be signed and included in the Teams Folder for completeness.• Consider the use of a fixed amount for each service provided, rather than hourly rates which requires additional administration time to calculate.• If they are not included within the updated SLA documents, there should be some KPI's or at least some LATC PI's, to produce/provide the necessary information to ensure that the LATC is performing its expected duties adequately.

Good Practice and Other Points to Note
<ul style="list-style-type: none">• There is a clear mechanism in place to review and ensure that the annual Business Plan is robustly challenged and scrutinised, by both the Shareholder Committee and Cabinet, prior to its approval.• The LATC's are included within the Corporate Risk Register under SR12 – Council Owned Companies. WNHC also has its own Risk Register which includes areas relating to Management, Government Policy, Pipeline Delivery, Financial, Standards and Business Continuity.

Executive Summary – Economic Growth

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Robust governance arrangements are in place over the use of grant funding, with grant streams managed in accordance with the terms of the grant.	None		
2. Robust arrangements are in place for compiling and approving the UKSPF and REPF Investment Plans.			2
3. Robust arrangements are in place for monitoring and reporting the progress of each project.	None		
4. Robust risk management arrangements are in place to identify potential risks and to put effective mitigating actions in place.		1	3
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Recommendations

One medium priority recommendation has been raised:

- The UKSPF Fraud Risk Assessment be enhanced to include the following:
 - actual mitigating controls in place within the Council for each risk;
 - a target risk score for each identified risk;
 - "Residual Risk" and "Additional Planned Action" columns be completed i.e., for each risk, the Council assess its level of risk tolerance and whether additional mitigating controls are required.

Two low priority recommendations have been raised:

- Supporting evidence to be recorded in the UKSPF Evidence Checklist on the Monitoring Overview tab on the quarterly monitoring return to DLUHC.
- The Regeneration, Housing & Place Directorate Plan 2023 – 2027 to include a specific risk relating to economic growth and to UKSPF/REPF grant funding.

Good Practice and Other Points to Note

- The Council's UKSPF West Norfolk Investment Plan, approved by Cabinet in July 2022, identifies three key investment priorities; the plan sets out the challenges, opportunities, investment priorities, interventions and outcomes relating to each priority. In addition, the REPF Addendum was developed to secure REPF grant funding.
- The strategy for the use of UKSPF and REPF grant funding is subject to regular review. The West Norfolk Prosperity Funding Programme Board identifies how any proposed UKSPF/REPF project contributes to the West Norfolk Investment Plan.
- UKSPF and REPF grants are managed in accordance with the terms of the grant, and in accordance with legislation and guidance.
- The Council's use of UKSPF and REPF is in accordance with the Draft Corporate Strategy and is reflected in the Regeneration, Housing & Place Directorate Plan.
- Output / Outcome forecasts are established prior to the commencement of project delivery and achievement is reviewed quarterly with the results included within the monitoring returns to DLUHC, with supporting evidence held on file.
- Project targets/milestones are regularly monitored and evaluated, with the progress of Town Deal projects reported to the KLTDB each month and quarterly returns submitted to DLUHC detailing the progress of the UKSPF/REPF projects.

- The West Norfolk Prosperity Funding Programme Board meets monthly to review the progress of each UKSPF/REPF project. From February 2024, it will meet bi-monthly.
- The key risks associated with each project, their risk score and mitigating controls in place have been identified.
- The Corporate Risk Register is subject to regular review by senior officers and Members to ensure its currency.

Executive Summary – Waste Management

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. A contract is in place, signed by all parties, detailing all aspects of the service, with robust contract monitoring arrangements operating.	NONE		
2. A robust performance management framework is in place, enabling performance against the contract to be accurately assessed on an ongoing basis.	NONE		
3. Appropriate financial controls are in place, with payments operating in accordance with the terms of the contract/payment mechanism.	NONE		
4. Appropriate Risk Management is in place following the Waste Legislation consultation.	NONE		
5. Appropriate Controls are in place for Food Waste and WEEE Collections.		1	
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

A total of 1 medium priority recommendation has been raised as follows:

- Create an action plan to enable increased recycling rates and reduced contamination rates.

Good Practice and Other Points to Note

A contract is in place, signed by all parties, detailing all aspects of the service, with robust contract monitoring arrangements operating. Any variations to the original contract have been introduced using a Contract Change Notice that are appropriately approved via Cabinet. The SERCO contract amounted to £3.6m spend during 2022/23.

A robust performance management framework is in place, enabling performance against the contract to be accurately assessed on an ongoing basis. Proportionality checks are undertaken against the performance data and the contract is self-monitoring, with KPIs monitored on a regular basis:

- Number of Brown Bins in use for composting.
- Total tonnage of Commercial Waste.
- Total tonnage of Garden Waste collected and treated.
- Total tonnage of Food Waste collected and treated.
- Total tonnage of Mixed Recycling collected and treated.

Appropriate risk management is in place following the Waste Legislation consultation, there has been a review and assessment undertaken and an action plan produced to introduce the impacts it has on service delivery, contract arrangements and monitoring. Briefing papers have been presented to Senior Leadership Team and Committees outlining the impact(s)/risk(s) and associated requirements to comply with legislative changes.

Appropriate controls are in place for Food Waste and WEEE (Waste Electrical and Electronic Equipment) Collections, with collections conducted frequently, appropriately separated and effective

monitoring is in place (for Food Wastes, there is no requirement in law or within the business to monitor WEEE collections currently).

The waste contract with SERCO and our Council is considered to be one of the best run contracts in the country, according to staff employed by other organisations within the contract arrangement with SERCO. Good relationships and understanding between the council's Waste & Recycling Manager and SERCO's Contract Manager and effective performance management with very few performance failures were cited compared to the other organisations under the contract.

However, SERCO corporately feel that the overall contract is running at a loss to them, this indicates several points:

1. It is unlikely SERCO would agree to the extension of the current contract agreement beyond the fixed term which comes to an end in 2028/29.
2. If the figures stated by SERCO on their expected losses are accurate, there is a potential for significant increases in any future contract agreements or the operation and delivery of waste and recycling services for the council.
3. Therefore, the council should consider its options as soon as possible in terms of how to deliver waste and recycling services beyond the end of the current waste contract in 2028/29:
 - An in-house delivery model and how that could look?
 - A partnership contract (such as the current arrangements)?
 - A stand-alone contract (such as the previous contract with KIER)?
 - Any other potential delivery models, including any potential hybrid approach for specific aspects of waste service delivery?
4. Invoicing within the next contractual arrangements for Waste and Recycling services (if these are contracted out) should explicitly outline that invoicing must be produced line by line to allow for the appropriate checking of invoice amounts against the agreed contract rates.
5. With the council's commitments to net-zero carbon emissions by 2035, it is an opportunity assess the options of vehicle fleet associated to waste and recycling services across the vast geographical size of the borough. Such as, Hydrotreated Vegetable Oil (HVO), Electric Vehicle (EV) and other alternative fuel sources. This should be subject to an options appraisal (based upon any decisions made over service delivery from 2028/29), that considers potential hybrid fleet options dependent upon locality across the borough to suit the business need.

During the audit the Waste & Recycling Manager had a long-term period of sickness absence, this highlighted that there is a general lack of resilience within the team in terms of the management of the contract. Where possible the auditor would suggest that an element of support is put in place for the Waste & Recycling Manager, by means of the allocation of resources to assist with waste management and contractual matters, it may be useful to consider if support can be provided by the Procurement & Contract Management Section if there is no available resources within the Waste & Recycling team or a lack of available budget to recruit relevant support.

Executive Summary – West Norfolk Property Limited (Position Statement)

No. of Suggested Actions
5

Summary of Suggested Actions
<p>A total of five suggested actions have been raised with the aim of enhancing WNPL:</p> <ol style="list-style-type: none">1. All governance and other documentation for WNPL, that is required to meet the requirements of the Local Partnerships Local Authority Company Review Guidance 2023 edition documentation, to be completed, and presented for approval and sign-off through the designated approval process.2. All documents related to WNPL to be stored within a central location, accessible by relevant and responsible officers. Documents to be subject to a version control process which is also documented. <p>Consideration should be given as to the storage of hard copy documents related to WNPL.</p> <ol style="list-style-type: none">3. The Service Level Agreements (SLA) to be dated, signed and ALL costs (including Legal Costs) to be included. Details about when costs will be reviewed, ideally annually, in line with indexation and Council COL increases. THIS ACTION IS REPLICATED FROM THE POSITION STATEMENT FOR WEST NORFOLK HOUSING COMPANY.4. Review the calculations within the updated Business Plan to ensure that the property stock figures being used, which then impacts upon the Profit/Loss totals for the project, are accurate and in line with the Business Plan proposals. <p>All updates and amendments to Business Plans should be undertaken in collaboration with the Accountant.</p> <ol style="list-style-type: none">5. Review the Risk Register scoring to ensure the scores are correct, and accurately reflect the risks and mitigations put into place previously.

Good Practice and Other Points to Note
<ul style="list-style-type: none">• The purpose and objectives of WNPL have been documented within various Council reports, and the objectives are aligned to that of the Council.• All WNPL Board Meeting minutes from 2018 onwards were able to be seen by the auditor, within the designated Teams Folder.• There are several Standing Items on the WNPL Board Meeting Agenda including: -<ul style="list-style-type: none">○ Recommendations from Shareholder Committee○ Stock Performance○ Financial Update and○ Risk Register

Executive Summary – Capital Programme

Our Opinion

Limited Assurance

Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Processes and procedures are in place to enable the overall governance of the capital programme	1, 2 & 4	5, 6, 7 & 8	11
2. There is a mechanism in place to assess and approve new capital projects, prior to funding approval	3	6 & 7	
3. Projects are scoped in sufficient detail to enable reliable estimates of budgets, timescale, and other resource requirements		9 & 10	12
4. Progress of individual capital projects is monitored, and risks are managed			13
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

A total of 4 high priority recommendations have been raised as follows:

- “Operational Scheme” capital expenditure projects require appropriate governance and oversight with assigned roles consistent with the governance and oversight in place for “major projects”.
- Appropriate decision-making procedures (in particular change control) to be introduced for “Operational Scheme” capital expenditure projects that are consistent with “major projects” decision making procedures. All capital expenditure projects decision-making processes should have regard for: capital expenditure, debt and borrowing and treasury management, commercial activity, other long-term liabilities, and knowledge and skills”.
- Appropriately resource the Programme Management Office (as agreed by SLT on 31st January 2023) to allow for the agreed change control processes to be implemented. SLT to also consider how capital expenditure on the Capital Programme for “Operational Schemes” are to be appropriately resourced for change control processes.
- Review and update the Asset Management Plan and assign a responsible officer for Asset Management Planning (to help feed into the Capital Programme). Organisationally there needs to be a consideration for ICT assets.

A total of 6 medium priority recommendations have been raised as follows:

- Consider the introduction of a corporate project governance strategy/policy and triage process to ensure appropriate documents are used and include relevant information.
- All Capital Programme items should be documented whether or not they are successful.
- Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.
- Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.
- Consider an 8-to-10-year Capital Programme, to capture full life-cycle project costs and where projects within the programme may be slipping in terms of timescales.
- Consider the benefits of introducing highlight reports at “programme level” as well as “individual project level” within each programme.

A total of 3 low priority recommendations have been raised as follows:

- Review the Capital Strategy to include reference to the latest CIPFA Prudential Code for Capital Finance in Local Authorities; the current Code is dated 2021. There is a new Code expected in 2024.
- Introduce a consistent and transparent process for the appraisal of all items within the Capital Programme (i.e., Operational Schemes) against other projects, as well as introduce a consistent and transparent variance process for all items within the Capital Programme.
- Consider the benefits of introducing a Project Management System.

Good Practice and Other Points to Note

The following areas of good practice were found to be in place during the audit:

- The expected overall cost of capital projects submitted is in line with the current Financial Plan of the Council.
- The processes and procedures in place for “major projects” and the “major housing programme” were found to be robust for the purposes of enabling governance of the capital programme.
- Roles and responsibilities were found to be appropriately in place for “major projects” and the “major housing programme” for the effective governance and oversight of the capital programme.
- Appropriate decision-making procedures were found to be in place for “major projects” and the “major housing programme” within the capital programme.
- Appropriate change control procedures exist for the purposes of “major projects” which fall under the Programme Management Officer (PMO).
- A sensible evaluation process of the existence and appropriateness of contingency plans for addressing project risks within the major housing programme (particularly in respect of budget setting) is in place.
- Original PIDs include original identified risks for projects, live Project Risk Register's exist, Highlight Reports are produced on a frequent bases and reported to OMPB highlighting the current risks and issues.

Executive Summary – Follow Up of Cyber Security Risks

Overall Objective and System Background

Following up the agreed actions arising from the Gallagher Cyber Assist Report which was undertaken to assess the level of the Authority's cyber security risk for insurance underwriters. It was agreed with management that the audit report would be in the form of a Position Statement. The audit also looked to determine if the Authority have obtained insurance / been accepted for insurance, and the associated costs and whether or not the insurance underwriters have made any recommendations / suggestions to the Authority to either obtain / be accepted for insurance, or to reduce the premium of any policy in place.

Gallagher Cyber Assist undertook a review of the Authority's cyber security controls and published their report at the end of January 2023. The report stated that for businesses seeking to mitigate their cyber risk through insurance, they need to "positively present their risk to underwriters by evidencing the necessary cyber protection and protocols they have in place; the greater your cybersecurity controls, the more likely an insurer would be willing to take on your risk".

Gallagher Cyber Assist reviewed the Authority's cyber security measures based on the following traffic light system:

- **RED** – minimum standard of security required for underwriters; failure to have these controls in place will likely prevent an organisation from being able to secure cyber security insurance coverage.
- **AMBER** – requirements over and above RED, which are more attractive for underwriters; failure to implement may prevent the organisation from being able to secure cyber insurance coverage. The larger the risk (i.e., businesses with turnover of £50 million or more), the more likely the ambers will turn to red.
- **GREEN** – requirements over and above AMBER, which are most attractive to underwriters. These may help organisations secure more competitive pricing and coverage. Meeting all of the criteria will see the organisation viewed as best-in-class within your risk profile segment by insurers.

The Gallagher Cyber Assist Report gave the following assessment of the effectiveness of the Authority's cyber controls:

RED	5 out of 6 areas of compliance	1 area of partial control
AMBER	2 out of 5 areas of compliance	3 areas of partial control
GREEN	1 out of 5 areas of compliance	4 areas of partial control

The Gallagher Cyber Assist Report stated that the Authority has "a proactive approach to cyber security; the pass/fail ratio is very much in favour of "pass" with all minimum requirements either in place or with a clear roadmap to implement".

This audit followed-up the areas of partial compliance to ascertain progress with the implementation of agreed actions and ascertaining if suggested improvements raised in the Gallagher report have been considered by the Authority. As noted in the table above, there were eight areas of partial compliance; in addition, one area was stated as being in place, but Gallagher made a recommendation against it; therefore, this was included in the follow-up of the recommendations.

Of the nine recommendations followed up, three have been actioned and six are ongoing:

RED	1 area partially in place	Ongoing
AMBER	3 areas partially in place	3 ongoing
AMBER	1 area in place	Actioned
GREEN	4 areas partially in place	2 ongoing and 2 actioned

Summary of Suggested Actions

Cyber Awareness e-learning:

- A Staff Update to be issued informing all staff that completion of the cybersecurity e-learning course is mandatory and giving staff a date when the course should be completed by.
- A recourse process to be applied to those staff who fail to complete the online cybersecurity training.
- A formal follow-up process to be put in place to contact those members of staff (and their line manager) who have not completed the online cybersecurity training.
- Staff to be required to complete regular fresher training in cybersecurity.

- An exception report to be produced each month listing those members of staff who have yet to complete the cyber awareness training and distribute it to relevant managers.
- Development Needs regarding e-learning courses as listed on Ciphtr to be regularly updated to include any new e-learning courses that are added, such as the Cyber Awareness 2022 online training module.
- Line managers to review the appropriateness of their team's Development Needs as part of their annual appraisal and update each staff member's Development Needs on Ciphtr accordingly.
- The email reminder that is sent out before the October mid-year staff review meetings to include a reminder regarding completing/updating e-learning.

ICT Policies:

- The annual review of each ICT Policy to be recorded in the policy's Version Control, even if no amendments to the policy are deemed necessary.
- The ICT Security Policy and the Appendix to both state that a user's password must not be the same as the previous 5 passwords used.
- The Use of Removable Media Policy to follow the format of the other ICT policies, include version control and state the date it was last reviewed.
- The Travelling Abroad with Mobile Devices policy to be reviewed and updated where appropriate. If an officer needs to take their mobile device abroad, this should be authorised by the appropriate AD, rather than their line manager.

Good Practice and Other Points to Note

- A Penetration Testing security scan of domains and IP addresses is undertaken by a CHECK/CREST accredited tester every quarter to ensure compliance with the Payment Card Industry Data Security Standard (PCI DSS) standards.
- ICT staff subscribe to security forums such as NCSC. The ICT Team receive prior notice of threats; with their CISP logon they are able to actively look for information on vulnerabilities and day zero exploits. The team also receive NCSC weekly alerts and early notifications.
- The Technical Architecture Manager (who was previously the ICT Security Officer) is currently undertaking an Ethical Hacking Course.
- ICT are currently working towards Public Services Network (PSN) compliance.
- ICT are currently considering the potential of a Security Information & Event Monitoring (SIEM) tool and a Security Operations Centre (SOC) where security is managed on behalf of the Authority by a third party.
- ICT are working towards the decommissioning of the legacy servers within the next six months. The existence of the legacy servers prevents the Authority achieving PSN compliance.
- The Authority is planning to increase the minimum number of characters used in a network password from 7 to 14, in compliance with the PCI DSS v4.0 data security standard.
- ICT are currently in discussion with Gallagher regarding their role as an insurance broker with a view to securing cybersecurity insurance for the Authority.

Executive Summary – Homelessness and Housing Options

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Appropriate governance controls are in place enabling the Council to meet its legislative and regulatory obligations regarding the management of homelessness.	None		
2. Appropriate controls are in place for the assessment of homelessness applications.	None		
3. Appropriate controls are in place for the recording and management of homelessness applications/cases.		1	2
4. Appropriate management reporting and monitoring is in place regarding homelessness applications/cases.	None		
	High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

One medium priority recommendation has been raised as follows:

- Review the use of the various types of accommodation to ensure value for money is being received and include this within the updated Housing Strategy. The review to include the purchase of HMO Properties or similar.

One low priority recommendation has been raised as follows:

- Create an all-inclusive training listing for E-Learning, New Starter Officer and New Starter Senior Plans which will include all relevant information on one document. An alternative would be to amend the current training documentation.

Good Practice and Other Points to Note

- A review of the current Housing Strategy is being undertaken, which should be in place by September 2024, ahead of the deadline of January 2025.
- The areas included within the recently published Homelessness Code of Guidance for local authorities to undertake a review and formulate a strategy, has been included within the updated draft strategy.
- Review documentation has been circulated to Members and 3rd party organisations for stakeholder engagement.
- Homelessness applications are assessed and processed appropriately, in line with regulations.
- The Home Connections system has shown compliance with DPA and GDPR legislation, in that it has fields with information from previous years that can be removed from the system when appropriate.

- Cases are recorded and managed appropriately, including access to information and segregation of duties.
- Appropriate management reporting and monitoring is undertaken.

Executive Summary – Key Controls

Our Opinion

Reasonable Assurance

Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Accounts Payable			4
2. Accountancy – General Ledger, Control Accounts, Treasury Management, Budgetary Control and Fixed Asset Register		1, 2	5, 6, 7, 8, 9, 10
3. Accounts Receivable		3	
4. Income			11, 12
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

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

Fixed Asset Register:

- The Financial Regulations should be updated to include a reference to the management of fixed assets and the maintenance of the Fixed Asset Register.
- Access to the Fixed Asset Register spreadsheet should be controlled so that only relevant officers are given access to the register.

Accounts Receivable:

- The Authorised Signatories List should be regularly maintained to ensure that it is up to date and that it accurately records those officers authorised to approve write-offs, and that these are reflected in Unit 4.

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

Accounts Payable:

- When an investment is made, the Dealing Ticket should be initialled by the authorising officer and the reason for selecting the chosen financial institution to be stated in the comments box.

Control Accounts:

- HM Court Payments in suspense should have details noted against them as to action being taken to match the payment and clear it from suspense.

Budgetary Control:

- The Financial Regulations should be updated to state the roles and responsibilities of budget holders.

Fixed Asset Register:

- Policies and procedure notes should be drafted setting out the process in place for the management of fixed assets and the maintenance of the Fixed Asset Register.
- The asset register should include full version control and an audit trail recording all amendments made.
- A formal process should be put in place for the regular physical verification of assets recorded on the Fixed Asset Register.
- The reconciliation of the Fixed Asset Register to the ledger should be reviewed by a senior officer.

Income:

- The Consolidated Bank Account Reconciliation should be dated fully with the month that the bank reconciliation relates to, the bank statement balance date and the ledger date. It should also be signed and dated as checked by a senior reviewing officer.
- Procedure notes should be drafted detailing the process for the reconciliation of the West Norfolk Housing Company and the West Norfolk Property Limited bank accounts.

Good Practice and Other Points to Note

- BACS payments are authorised and checked prior to payment; adequate separation of duties exists between the processing and the authorisation of BACS payments.
- New suppliers and amendments made to current suppliers are verified and approved prior to processing, with details of changes made recorded.
- Where a Purchase Order (PO) is raised, appropriate segregation of duties exists between the officer raising the requisition and the officer authorising the requisition.
- Where a PO is not raised, a certification slip attached to the invoice is required to be authorised by the appropriate officer in accordance with the Authorised Signatories List (ASL).
- Cash flow is prepared and monitored on a daily basis.
- Adequate separation of duties exists in the processing and sending of CHAPS payments.
- An appropriate budgetary control framework is in place, with budget information made available to budget managers each month, with a Quarterly Budget Monitoring Report issued to Audit Committee.
- Debtor invoices are promptly and accurately raised and authorised; credit notes are appropriately authorised with reasons given.
- Cash and cheques are receipted fully and banked accurately and on a timely basis.

Executive Summary – Council Tax and National Non-Domestic Rates

Our Opinion

Substantial Assurance

Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. To ensure the integrity and accuracy of the Council's record of properties and Valuation Office data for both Council Tax and National Non-Domestic Rates (NNDR), including additions and deletions.	None		
2. To ensure Council Tax discounts, disregards, and exemptions as well as mandatory and discretionary NNDR reliefs / exemptions are correctly recorded and appropriately evidenced.	None		
3. To ensure customer refunds are due, accurately refunded, and properly authorised.	None		
4. To ensure arrears recovery action procedures are in place and regularly reviewed.	None		
5. To ensure training procedures are up-to-date and correctly followed and adhered to.			1
6. To ensure figures generated from payments/recovery of Council Tax Reduction are reconciled with the Council Tax and accounting systems.	Covered within the current audit of Local Council Tax Support and Housing Benefit.		
7. To ensure the Register of Interests for staff handling benefit claims / Council Tax accounts are maintained and updated regularly.	None		
8. To ensure that there are appropriate segregation of duties regarding user access rights in the Civica System.	None		
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

One low priority recommendation has been raised as follows:

- Ensure there is a version control for every training procedure in place and available to staff.

Good Practice and Other Points to Note

- VOA schedules are processed, amended, and reconciled, with resulting actions being undertaken in a timely manner.
- Council Tax and NNDR discounts, disregards, and exemptions (including mandatory and discretionary reliefs) are accurately recorded and appropriately evidenced.
- Council Tax and NNDR forms are widely available and accessible, in different formats, to customers.
- Customer refunds are checked, verified, appropriately authorised, and returned within a timely manner.
- There are robust arrears recovery procedures in place, allowing the Authority to review, reconcile accounts, and claim monies owed in a timely manner.
- Progression schemes are in place ensuring competency in processing of Council Tax and NNDR claims.
- Competency levels are documented and reviewed.
- There is a robust process in place for the collection and security of the Register of Interests documentation.
- Segregation of duties exists regarding the processing of the VOA schedules and reconciliations.

Improvement Actions:

- When receiving requests for Charitable Relief by charitable organisations, there should be a document that the charity is requested to complete, clearly stating the following:
 - Name,
 - Address,
 - Charity number,
 - Confirmation that the organisation is claiming charitable relief.

In the Revenues Training Pack provided for this audit, it outlines that the organisation's name and charity name should be provided as evidence; however, currently this is not being followed based on our testing results.

The current process of checking against the Charity spreadsheet to confirm the details of currently known charities can continue, but this should be updated when new organisations claim charitable relief.

- When documents are due to be reviewed, ensure that the formatting and wording includes current procedures to establish consistency and transparency.

Executive Summary – Local Council Tax Reduction Scheme & Housing Benefit

Our Opinion

Substantial Assurance

Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	Medium	Low
1. Claims, amendments to claims and backdated claims have adequate supporting evidence.	None		
2. Large payments (over £750) are subject to review.	None		
3. Appropriate action is taken in the calculation, recovery and write-off of overpayments.	None		
4. Robust controls in place to prevent unauthorised access to systems and records.			1
5. Regular reconciliations are undertaken of Council Tax Support and Housing Benefit to the General Ledger.			2
High Control issue on which action to implement should be taken within 1 month.	Medium Control issue on which action to implement should be taken within 3 months.	Low Control issue on which action to implement should be taken within 6 months.	

Summary of Key Recommendations

Two low priority recommendations have been raised as follows:

- The OPENRevenues Users, Starters and Leavers Report should be updated to include each user's current job title and the date they started in the Revenues & Benefits Section or the date their user account was created.
- Procedure notes should be drafted detailing the process for the reconciliation of HB and CTS to the Council Tax system. These reconciliations should be reviewed and signed off by a senior officer.

Good Practice and Other Points to Note

- Sufficient levels of monitoring of the quality of claim assessments are undertaken for both fully competent and trainee Benefits staff. All staff are regularly achieving cumulative weekly accuracy rates of more than 95%, which is satisfactory. The overall average in 2023 was 97.88% assessment accuracy; the overall average for the period 29/01/24 to 15/04/24 was 98.71%.
- Adequate supporting evidence is retained relating to the processing of backdated claims.
- Large payments (those over £750) are checked to ensure that claims are processed accurately and that only bona fide payments go out.
- Overpayments are checked to ensure they are accurately calculated and are processed in accordance with procedures / guidance. Segregation of duties is in place between the assessment of claims / creation of overpayments, recovery of overpayments and write-off of those overpayments that are unable to be recovered.
- Write-off of overpayments have appropriate authorisation.

Improvement Points:

- The Benefits Section procedure notes should be reviewed and updated where appropriate.
- Where a supervisor identifies an error in a particular claim and states that a correction is required to be made, the date that the correction is made should be recorded on the Quality Checking Spreadsheet.
- The Claim Write-Off Report listing the write-offs from the Benefits system should state the reason for the write-off.
- In addition to the periodic review of OPENRevenues users that is undertaken by Revenues System Support (RSS) and the checking of the starters and leavers lists provided each month by Personnel, RSS should be given access to the report which ICT can now run off

Ciph of those staff who have recently left the Authority, enabling RSS to update OPENRevenues in a timely manner.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	24 th June 2024		
TITLE:	Internal Audit Follow Up of Outstanding Recommendations report		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

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

Borough Council of King's Lynn and West Norfolk Internal Audit Follow Up of recommendations report

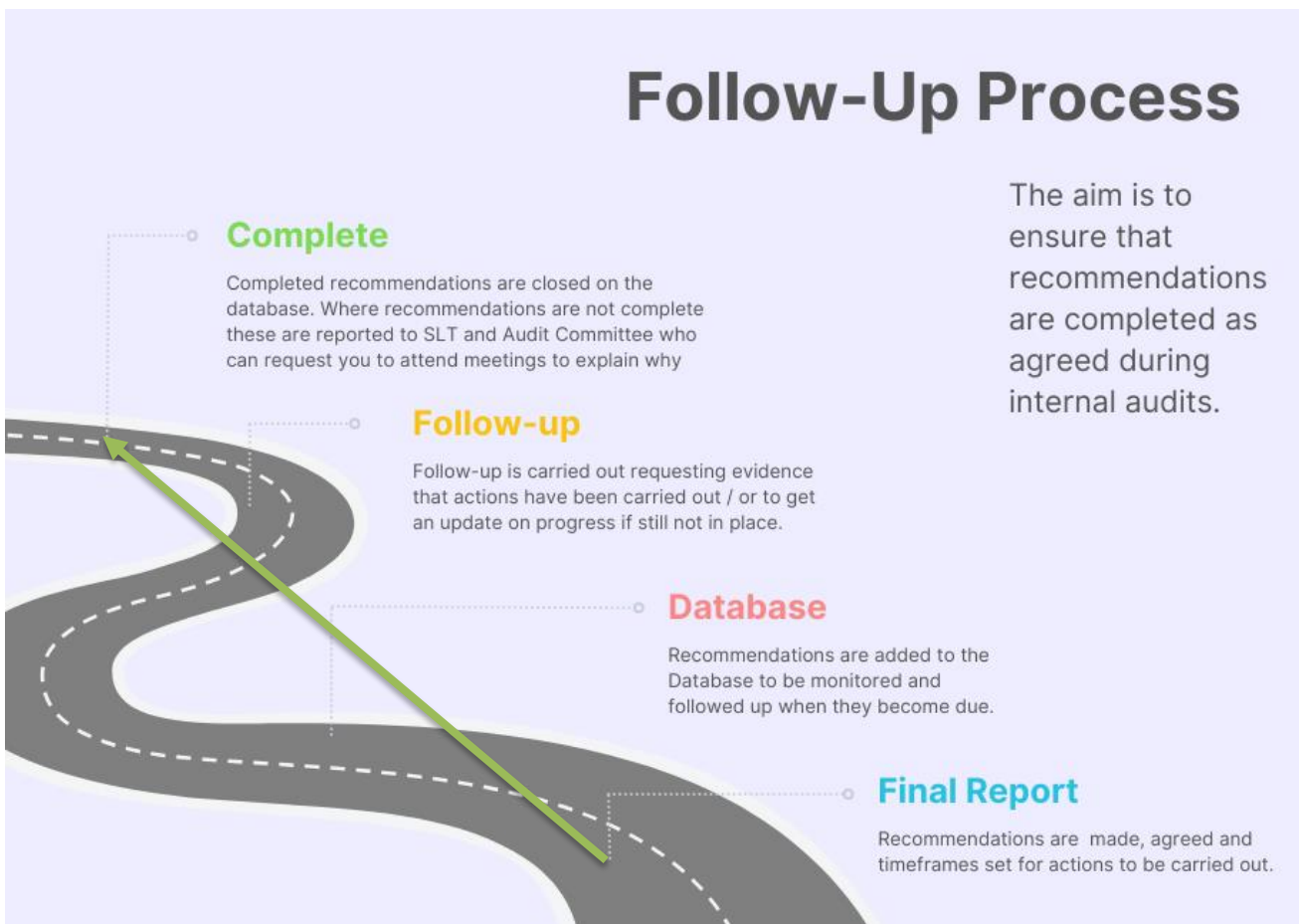
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1. INTRODUCTION

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

2. THE FOLLOW UP PROCESS



3. STATUS OF RECOMMENDATIONS

- 3.1 Recommendations are agreed during Internal Audits and timeframes set for their completion which are confirmed with responsible officers and service managers. The management action subsequently taken is monitored by Internal Audit on a regular basis and reported through to Audit Committee on a half yearly basis. Verification work is also undertaken for those recommendations that are reported as closed.
- 3.2 Exercises are undertaken where all responsible officers with overdue recommendations are contacted to provide updates. This involves gathering evidence to demonstrate completion

of high and medium priority recommendations and closing low recommendations where completion has been confirmed.

3.3 Progress is demonstrated in the table below which outlines the position as of 1 May 2024 compared to the position at 30 November 2023.

Position 02/05/2024	High	Medium	Low	Total	%
No. of Recs overdue in last report (November 2023)	6	27	29	62	51.67%
No. of Recs Completed since last report	2	13	22	37	30.83%
No. of Recs that have become overdue since last report	4	15	36	55	45.83%
Sub total of overdue Recs	8	29	43	80	66.67%
No. of Outstanding Recs 100+ days overdue	6	25	37	68	56.67%
No. of Outstanding Recs 365+ days overdue	5	15	15	35	29.17%
No. of Recs not yet due for Follow-up	6	13	21	40	33.33%
Total Outstanding No. of Recs	14	42	64	120	100.00%

3.4 **Appendices 1, 2, 3, 4, 5 and 6** to this report show the details of any high and medium priority outstanding recommendations split by the year in which they were raised. The outstanding recommendations included within each appendix also provides a progress update.

APPENDIX 1 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2018/19

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
Vehicle Fleet	All applicable vehicles should be correctly recorded within Technology Forge.	Medium	Carl Holland, Financial Services Manager	31/12/2020	-1218	It is expected that Technology Forge will move over in the next 6 months barring any issues with year end and external audits. This will address the recommendation.
General Data Protection Regulations 2016 & Data Protection Act 2018	The revised DPP should be publicised to officers and Members. This could be done via an article in Internal Affairs.	Medium	Honor Howell, Corporate Governance Manager	31/12/2019	-1584	This has slipped on the forward work programme for Cabinet and is now on for 11 June - do not foresee any reasons why it would slip further than this.
General Data Protection Regulations 2016 & Data Protection Act 2018	The revised Data Protection Policy (DPP) should go through the prescribed approval process and, if deemed appropriate, be approved by Cabinet.	Medium	Honor Howell, Corporate Governance Manager	31/12/2019	-1584	This has slipped on the forward work programme for Cabinet and is now on for 11 June - do not foresee any reasons why it would slip further than this.

APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2019/20

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
Car Parking & Civil Enforcement	As referred to in the King's Lynn Transport Strategy, BCKLWN should develop a Car Parking Strategy. This would ensure that a town-wide approach to car parking management is achieved, together with enabling the delivery of the Transport Strategy's suggested improvements.	Medium	Jemma Curtis, Regeneration Programmes Manager	31/03/2021	-1128	Consultation workshops to inform the development of the strategy was undertaken in Jan - February 2024. Draft strategy for internal review due April 2024.
Careline	Job timings and item costs should be updated on the system to eradicate the need to amend timings and costs by individual officers.	Medium	Andrew Howell, ICT Web Team Manager & Judith Berry, Careline Community Service Manager	31/03/2021	-1128	Charitylog is due for implementation 2024/25 Q1. Currently in progress with CCS/CIC/ICT. The implementation of this system should supersede this.
Careline	The process of a client calling into the Council and requesting a Careline product should be a seamless process. Consideration should be given to allow one department (CIC or Careline) to follow the process from start to finish. This would allow the customer to call in to request a product, the officer to record all the necessary information, apply the correct costs to any items required, and book a mutually convenient appointment for a Visiting Officer to carry out the works required.	Medium	Judith Berry, Careline Community Service Manager	30/06/2021	-1037	Charitylog is due for implementation 2024/25 Q1. Currently in progress with CCS/CIC/ICT. The implementation of this system should supersede this.

Careline	<p>Careline and ICT to develop a process during discussions regarding the various methods of recording customer data onto the system, and the pros and cons of each method on both officers and the system.</p> <p>The technology being used by the Visiting Officers should be available at all times and fit for purpose.</p>	Medium	<p>Andrew Howell, ICT Web Team Manager</p> <p>Judith Berry, Careline Community Service Manager</p>	30/06/2021	-1037	<p>Charitylog is due for implementation 2024/25 Q1. Currently in progress with CCS/CIC/ICT.</p> <p>The implementation of this system should supersede this.</p>
Careline	<p>Any time saving / efficiency methods of working within the department should be notified and available to all officers.</p>	Medium	<p>Andrew Howell, ICT Web Team Manager & Judith Berry, Careline Community Service Manager</p>	30/06/2021	-1037	<p>Charitylog is due for implementation 2024/25 Q1. Currently in progress with CCS/CIC/ICT.</p> <p>The implementation of this system should supersede this.</p>

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2020/21

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
ICT - Cyber Security	ICT officers should be included in the preparation and delivery of project plans throughout the authorisation, to ensure all ICT aspects are fully considered and understood within the project.	Medium	Mark Willetts, Technical Services Manager	31/03/2022	-763	The item was bumped to the next ICT Development Group meeting due to running out of time. Next meeting due end May/beginning of June.

APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2021/22

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
Financial Governance & Budgetary Control	Where Finance have verbally agreed with a budget holder to undertake a virement, Finance should require the budget holder to confirm the virement via email. This should be supported by an exception report detailing budget virements made during the year.	Medium	Carl Holland, Financial Services Manager	31/07/2022	-641	This needs to be tied into a review of the Financial Regulations. Budget Setting meetings are now being conducted again with budget holders and these help to identify virements as well as the tracker report which has been set up on Unit4 which is reviewed by the Financial Services Manager.
Regeneration & Economic Development	The Council needs an overarching corporate economic development and regeneration strategy to encompass all projects / initiatives and how they meet the corporate business objectives. This should be a cabinet approved document.	Medium	Jemma Curtis, Regeneration Programmes Manager	31/08/2022	-610	Economic Strategy work commissioned Jan 2024, preparation of draft strategy underway. Due to complete Sept 24.
Regeneration & Economic Development	The Council's overarching corporate economic development and regeneration strategy should reflect and capture the organisational aspirations of the Council (including the objectives that underpin the Council's Corporate Business Plan for 2020 – 2024) in terms of sustainability, climate change, carbon reduction, protecting our local environment as well as other matters such as protecting our communities from flooding.	Medium	Jemma Curtis, Regeneration Programmes Manager	31/08/2022	-610	Economic Strategy work commissioned Jan 2024, preparation of draft strategy underway. Due to complete Sept 24.
Capital Programme	The governance process should be enhanced before projects are submitted for inclusion within the Capital Programme. Detailed information relating to finance, resource and risks should be included within project information submitted to Management Team for consideration.	High	Carl Holland, Financial Services Manager.	30/09/2022	-580	Collaboration is currently taking place between the Finance department and Place department. This is to help appropriately resource the PMO, produce a robust set of corporate governance procedures and implement a fit for purpose project management software system. Accountability is in place, a process has been developed for Major Projects as per the IA of Project Management Framework,

						Finance have furthermore reviewed and introduced a tier system approach to Capital Programme items. This recommendation is anticipated to be completed by December 2024.
Capital Programme	<p>Consider creating a suite of documents to enable a complete and fully informed decision-making process.</p> <p>The suite of documents should include the following: -</p> <ul style="list-style-type: none"> • A pre-project proposal form/start up form (capturing the information suggested within this Capital Programme Audit Report) • A project closure form – to evaluate and carry out a lesson learned assessment. The form could also be used to ensure the budget code provided to the project is now concluded, and all payments for the project have made by and received by the Council. • A Flowchart of the proposal through to project closure cycle would be helpful to be included within the initial checklist suite of documents could act as a prompt for each step in the project cycle. This could be referred back to for ease of reference. • A Project register – to keep a file for each project by reference number (this can then assist with the Shared drive idea and allow the key responsible relevant officers to have access to the relevant project references). The register would: - <ul style="list-style-type: none"> o allow a record to be kept of all projects currently being undertaken; o allow statistics to be produced on project information; o enable officers to easily identify the current status, and work undertaken, of a project; o information contained within the shared 	High	Carl Holland, Financial Services Manager.	30/09/2022	-580	<p>Collaboration is currently taking place between the Finance department and Place department. This is to help appropriately resource the PMO, produce a robust set of corporate governance procedures and implement a fit for purpose project management software system.</p> <p>Accountability is in place, a process has been developed for Major Projects as per the IA of Project Management Framework, Finance have furthermore reviewed and introduced a tier system approach to Capital Programme items.</p> <p>The PMO will help with the better management, consistency, and delivery of the programme of projects. Please note this relates to the Major Projects identified by Cabinet and over-seen by the Member Major Projects Board [MMPB], however this PMO function was not intended to deal with the whole Capital Programme being delivered by the Council. Note that some of the Major Projects also have a management system and format devised under the Town Deal Programme. It is important to note that the PMO is not yet adequately resourced. Two Job Descriptions have been drafted and evaluated - however the budget for these posts has yet to be identified, or an alternative way of funding these posts has yet to be devised/agreed i.e. capitalisation of posts within the capital</p>

	drive would enable knowledge to be shared, skills to be retained and passed on through the project, information would be accessible within one designated area rather than being saved in multiple locations which is not easily accessible.					programme. The Council has also formed the Project Development Group which is a group of officers that will help develop projects and the project management framework over time. This recommendation is anticipated to be completed by December 2024.
Alive West Norfolk	<p>A suite of new SLA's should be developed for the relevant Service Areas included in the previous SLA. These need to be developed at the earliest possible opportunity.</p> <p>A new agreed set of KPI's should be produced for each Service Area within the SLA, to ensure the service is being provided efficiently and effectively for both parties. The KPI's should be monitored and reported appropriately to the AWN Board, and a relevant council body if required.</p>	High	<p>Siobhan Cleeve, Head of Leisure.</p> <p>Honor Howell, Corporate Governance Manager.</p>	30/09/2022	-580	<p>No SLAs currently in place between the Council and Alive West Norfolk. Awaiting draft SLAs from council for agreement around KPIs.</p> <p>Can't set KPI until AWN are aware of the work undertaken in the SLA- currently with Council.</p> <p>However, progress has currently been halted whilst a review is undertaken of the overall delivery model of leisure services. In the interim the previous SLA's in place have been deemed acceptable</p>
Alive West Norfolk	<p>Responsible officers from finance and AWN to consider the fees and charges going forward, with a view to amending these to the appropriate values.</p> <p>There is mention within the Financial SLA of additional costs should senior financial officers need to be involved in accounting queries. This cost should ideally be an hourly rate for the services provided, agreed by both parties prior to work commencing.</p> <p>The financial budgets should be amended and reflect actual, and agreed, costs rather than expected costs.</p>	High	<p>Siobhan Cleeve, Head of Leisure.</p> <p>Honor Howell, Corporate Governance Manager.</p>	30/09/2022	-580	<p>This recommendation is still outstanding and awaiting action from the Council.</p> <p>The budgets currently still hold the historic cost + inflationary increases but this will be updated to reflect the SLA amounts agreed (once the SLA is finalised)</p> <p>However, progress has currently been halted whilst a review is undertaken of the overall delivery model of leisure services. In the interim the previous SLA's in place have been deemed acceptable</p>

Alive West Norfolk	When the Management Agreement is next due for review, consider if it is appropriate for member involvement in decisions of AWN.	Medium	Siobhan Cleeve, Head of Leisure. Honor Howell, Corporate Governance Manager.	30/09/2022	-580	This recommendation is still outstanding and awaiting action from the Council. Extraordinary meeting called to discuss approaching the council regarding current mgmt. fee and arrangements for this year. Ongoing internal discussions are with council in terms of AWN governance and structure.
Capital Programme	To use the Business Case documentation submitted within the Town Investment Plan (TIP) as a basis, to ensure that all major projects are documented in a consistent manner. The documentation used for the projects within the Town Investment Plan (TIP), and subsequently submitted to Central Government as Business Cases, uses consistent headings that include: - <ul style="list-style-type: none"> • Objectives; • Aims; • Scope; • Financial implications, including revenue costs and future costs (resource and maintenance costs); • Resource requirements; and • Risk Registers. 	High	Carl Holland, Financial Services Manager.	30/11/2022	-519	The PMO function is developing, in conjunction with relevant officers, a suite of template documents, of which a Business Case is one. The headings suggested in the audit report would form part of the council's standard Business Case format (unless a specific project's business case is required to adhere to HM Treasury Green Book standards, or an alternative format. It is an assertion that any requirement to adhere to a particular standard, would build on the minimum required by the council and therefore be acceptable). This is not yet complete, a paper is going to SLT 14 th May 2024 to make the case for staffing the PMO (as originally determined on 31 st January 2023). Depending on the outcome of this (budget proposals) will then determine the timeframe for the completion of this recommendation.
Policies	All policies should be held centrally within one corporate index of policies. This would make it easier to monitor and update policies, ensuring they remain current and effective. A central repository would also make it easier for officers and Members to locate a particular policy.	Medium	Honor Howell, Corporate Governance Manager	31/12/2022	-488	This is a workstream for 2024/2025 with the new Governance and Compliance Officer.

APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2022/23

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
Business Continuity	<p>Review whether the BC Portal is the appropriate way to disseminate the information of a BC Incident to officers and members.</p> <p>Once the most appropriate way to disseminate information to officers and members has been decided, the Communications Manager should have access to this and have the ability to add/edit BC incident information appropriately.</p>	Medium	Honor Howell, Corporate Governance Manager	31/12/2022	-488	<p>On hold pending information from Web Team. The role of the BC portal will be reviewed once the intranet improvements have been made.</p> <p>BC Portal meeting being held with ICT Web Team in December to understand the potential next steps.</p>
Procurement & Contract Management	<p>The CSOs should be reviewed and updated where appropriate; for example, the name of the current Monitoring Officer and the names of the current Procurement Team members should be included. The CSOs should also be updated to make reference to the publication of contracts in FTS above the UK threshold (replacing the reference to the publication of contracts in OJEU above the EU threshold). The CSOs should state the frequency of review and the date of the next review.</p> <p>The Council’s Procurement Rules as stated on the Authority’s website should be updated to reflect the requirement to publish contracts above the UK thresholds in FTS. Also, the threshold levels should be updated.</p>	High	Jane Mitchell, Procurement and Contracts Manager.	30/06/2023	-307	<p>CSO review underway, now linking into an updated Procurement Strategy, following the Procurement Bill proceeding to Royal Assent (Oct 24). Following a six-month preparation period (estimated to begin in April/May 2024), the Government Commercial Function has advised that it expects that the commencement of the new Procurement Act 2023 ("the Act") will take place in October 2024. The councils revised procurement strategy, including full amendments of CSO, will follow this timeline. Interim updates to the CSO may be made before this date following the EELGA review. Updates required to the council’s website in the recommendation have been actioned.</p>

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Procurement & Contract Management	<p>All procurements over £25,000 should be brought to the attention of Procurement to ensure that procurement rules / CSOs are followed. Procurement should send out a global email to all departments and service areas within BCKLWN and AWN requesting them to provide details of all procurements over £25,000 and send out a reminder email each year.</p> <p>Procurement should monitor responses to ensure all are returned, instead of accepting a non-response as meaning no contracts are in place. If nothing is forthcoming, Procurement need to escalate it to the appropriate AD.</p> <p>This will ensure that Procurement are made aware of all contracts negotiated by the Authority and that they are recorded in the Contracts Register.</p> <p>The Procurement Strategy should be amended to state that all procurements over £25,000 are brought to the attention of the Procurement Team, which is in line with the tender threshold.</p> <p>In addition, Procurement should check that a valid contract exists before a new supplier is set up on the Finance system.</p>	Medium	Jane Mitchell, Procurement and Contracts Manager.	30/06/2023	-307	Updates to procurement strategy referred to in the recommendation will be made as above by the revised due date. In the interim, the CSO may be updated with regards to threshold levels
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Procurement & Contract Management	<p>Procurement should be given access to the Analyser function within Unit4 to enable them to analyse supplier spend during the year.</p> <p>Budget override facilities and fund check alerts should be built into Unit4 so as to alert budget managers where spend exceeds CSO thresholds.</p>	Medium	Robert Street, Group Accountant	30/06/2023	-307	A second technically feasible solution has been identified which is hoped to begin implementation prior to year-end."
Accounts Receivable	<p>It should be ensured that debt write-offs are appropriately authorised in accordance with the Authorised Signatories Listing.</p> <p>The Group Accountant should collate the reason for these debts and the reason for the write-off for presentation to the FSM for retrospective consideration resulting either in approval or re-instatement of the debt.</p>	Medium	Carl Holland, Financial Services Manager	31/07/2023	-276	Awaiting information from Embridge on the likely cost to implement this change as well as adding reason codes on Credit Notes (which currently go through an authorisation process).
Accounts Receivable	<p>Debt write-offs should be regularly reported to senior management; they should include the following details:</p> <ul style="list-style-type: none"> • Name of the debtor • Reason for the write-off • Age of debt • Amount written-off • Recovery action that was undertaken, where appropriate, to demonstrate that all avenues were exhausted to recover the debt prior to it being written-off. 	Medium	Carl Holland, Financial Services Manager	31/07/2023	-276	Included within the power bi monitoring. Whilst we currently collected write off reasons - it may be onerous to detail out full steps taken - generally speaking they become un-economic to collect
Income	Annual reviews should be undertaken of Pay360 users to ensure that staff who transfer roles within the Authority have appropriate levels of access to the system, and that leavers have their access removed.	Medium	Joy Coombs, Accounting Technician	30/09/2023	-215	Pay360 Users- task will be completed just before go live as the inactive users change. Go live date had just been put in for 16th & 17th of July.

Environmental Protection	A decision to be made on whether to use idox Uniform or the Tracking Register for the recording of all reported incidents of fly tipping. All reported incidents of fly tipping to be appropriately coded on the designated recording system for the purposes of accurately reporting data via the Waste Data Flow.	Medium	<p>Mark Whitmore, Assistant Director, Health, Well Being and Public Protection</p> <p>Martin Chisholm Assistant Director Operations and Commercial</p>	31/01/2024	-92	This is still outstanding and needs further discussion with M Chisholm.
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APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2023/24

Audit area	Recommendation	Priority	Responsible Officer	Agreed Due Date	Days Overdue	Latest Response
Complaints and FOIs	<p>Once the Corporate Complaints Policy has been revised and updated, it is recommended that it be placed on the Authority’s website, with a direct reference to the policy clearly sign-posting users to it.</p> <p>The policy to also be placed on InSite so that it is easily accessible by officers and Members.</p> <p>An article to be included in Staff Update notifying staff of the revised policy and the action that staff should take if they receive a complaint.</p>	Medium	Honor Howell, Corporate Governance Manager	30/11/2023	-154	The Corporate Complaint Policy requires a further review following the introduction of the Complaints Handling Code on 1 April 2024. A review is now commencing on this and it will need to go through the democratic process and furthermore training offered to all staff.

Complaints and FOIs	<p>The Corporate Complaints Policy to be enhanced by including the following:</p> <ul style="list-style-type: none"> • Version control / document history, • make reference to the Data Protection Act 2018, • include a flowchart detailing the process for handling a complaint, • have working hyper-links to associated policies and forms, • reference relevant Council policies and procedures, • detail the roles and responsibilities of those officers who deal with complaints handling, • specify the length of time that documents relating to complaints should be held for (in accordance with the Council’s Document Retention Schedule), • a section on “Learning from Complaints” outlining how the Council will learn from complaints, the process of analysing complaints, identifying trends and using it to drive service improvements, • a “Distribution” section outlining how the policy will be distributed i.e., the policy is available on the Council’s website and on InSite. 	Medium	Honor Howell, Corporate Governance Manager	30/11/2023	-154	The Corporate Complaint Policy requires a further review following the introduction of the Complaints Handling Code on 1 April 2024. A review is now commencing on this and it will need to go through the democratic process and furthermore training offered to all staff.
Land Charges	Following the recent signing of the Collaboration Agreement between the Authority and HMLR, a comprehensive Project Plan be compiled setting out the steps involved in the data migration.	Medium	Lee Osler, Office Manager / Deputy SIRO	31/12/2023	-123	We are still waiting for HMLR to assign a delivery manager and until this happens a detail project plan will not be developed and agreed. We are however in discussions with HMLR and there are elements of the project we have commenced to help speed up the project once a delivery manager has been assigned. The LA has no control over the assignment of a delivery manager, this is totally at the discretion of HMLR.

Land Charges	As part of the Project Plan for the data migration from the LLC Register to HMLR, the process for data cleansing and data validation, and the security arrangements to be adopted, such as data encryption, be formally documented.	Medium	Lee Osler, Office Manager / Deputy SIRO	31/12/2023	-123	We are still waiting for HMLR to assign a delivery manager and until this happens a detail project plan will not be developed and agreed. We are however in discussions with HMLR and there are elements of the project we have commenced to help speed up the project once a delivery manager has been assigned. The LA has no control over the assignment of a delivery manager, this is totally at the discretion of HMLR.
Public Open Space - Tree Management	The new Arboricultural Officer should review the current Tree Management recording system and ascertain whether there are more effective and efficient systems available. These systems may allow more interaction with other current Council systems and allow timely reporting for management and Members. Consideration could be given to the following options: <ul style="list-style-type: none"> • use of a new off the shelf Tree Management System, such as Ezytreev; • use of the system used by the Facilities Management Officer for the use of Street Lighting; • use of QGIS and/or Idox/Uniform for the Management of Trees. 	High	Ed Johnson, Arboricultural Officer (POS)	31/03/2024	-32	This is currently with the ICT Development Group.
Complaints and FOIs	To ensure consistency and timeliness of the process, it is recommended that all corporate complaints are received and managed by the Corporate Governance Team. This would ensure that the Corporate Governance Manager is aware of all complaints, both Stage 1 and Stage 2, enabling her to undertake an analysis of complaints which could then be included in the Annual Complaints Report to CPP.	Medium	Honor Howell, Corporate Governance Manager	31/03/2024	-32	In progress, Target Q2 2024/25. A Corporate Complaint tracker log has been drafted, as well as template emails for the allocation and chasing of Stage 1 complaints, but the process is yet to be transferred fully to the Corporate Governance team. The Corporate Governance Manager is in discussion with the Democratic Services Manager to agree the transfer of Stage 1.

Complaints and FOIs	Once the Corporate Governance Team are responsible for managing the corporate complaints process, it is recommended that they ensure that all Stage 1 complaints are responded to within 15 working days (as per the stated deadline in the Corporate Complaints Policy) and that evidence is retained of a formal response being sent to the complainant.	Medium	Honor Howell, Corporate Governance Manager	31/03/2024	-32	In progress, Target Q2 2024/25. A Corporate Complaint tracker log has been drafted, as well as template emails for the allocation and chasing of Stage 1 complaints, but the process is yet to be transferred fully to the Corporate Governance team. The Corporate Governance Manager is in discussion with the Democratic Services Manager to agree the transfer of Stage 1.
Starters, Movers, Leavers	An overarching procedure document to be introduced outlining the roles and responsibilities for hiring/line managers relating to New Starters, Transfer of Roles and Leavers for ICT, Personnel, and Information Asset Owners.	Medium	Nicola Rigby, Personnel Services Manager Richard Godfrey, ICT Manager	31/03/2024	-32	This has now been reviewed and in draft format. Personnel and ICT are meeting on 16 th May 2024 to review the latest draft.
Starters, Movers, Leavers	Review the list of system administrator recipients that receive the full leavers list to produce a more targeted list of key contacts that receive the list. This list should also include transfer of roles and be made available to system administrators. Wording to be included in the new overarching SML procedures outlining the roles and responsibilities.	Medium	Nicola Rigby, Personnel Services Manager Richard Godfrey, ICT Manager	31/03/2024	-32	Wording has been included in the Starters, Movers, Leaver's procedures.
Starters, Movers, Leavers	Conduct a full review of assets and equipment held across the organisation and update the ICT Asset Register accordingly. Include ICT Loan agreements within the review process.	High	Richard Godfrey, ICT Manager	31/03/2024	-32	Data has been extracted from MEMCM/InTune and ICT Asset Register is in the process of being updated (to be completed by end of June). Scanning Team is currently creating an electronic copy of the loan agreement forms which will reside in Teams once complete.

Land Charges	<p>Costs associated with Land Charges to be reviewed to ensure that all relevant costs are included, thereby enabling the correct Land Charges fees to be levied and provide assurance that all relevant costs are covered by the income. Costs to be reviewed on an annual basis to ensure that they remain current.</p> <p>The Authority to be able to explain how the Land Charges fees were calculated and compile procedure notes detailing the cost calculation.</p>	Medium	Lee Osler, Office Manager / Deputy SIRO	01/04/2024	-31	<p>A review of fees has taken place and are set at the level to recover costs as the Land Charge team are not able to make a profit. The annual review will take into account any increase in costs associated with the potential increase for the services NCC provide in relation to Con29 searches. A procedure note is still to be compiled detailing the cost calculation.</p>
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POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 June 2024		
TITLE:	Internal Audit Annual Opinion & Report 2023-24		
TYPE OF REPORT:	For noting and consideration		
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

PURPOSE OF REPORT/SUMMARY:
This report concludes on the Internal Audit Activity undertaken during 2023/24, it provides an annual opinion concerning the organisation's framework of governance, risk management and control and concludes on the effectiveness of internal audit and provides key information for the Annual Governance Statement.
KEY ISSUES:
The Head of Internal Audit is able to give a reasonable / limited opinion on the framework of governance, risk management and control overall at the Council. Improvement in governance or the control environment is needed in some areas.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Committee is requested to: - <ul style="list-style-type: none"> • Receive and consider the contents of the Annual Opinion Report of the Head of Internal Audit. • Note that a reasonable / limited audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2024. • Note that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration when developing and reviewing the Council's Annual Governance Statement for 2023/24. • Note the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP).
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out the Head of Internal Audit's annual opinion on the framework of governance, risk management and control.

3. Issues for the Panel to Consider

Members should note the Head of Internal Audit's annual opinion and the reasons for this.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

The Head of Internal Audit's annual opinion is 'Reasonable / Limited' assurance in relation to the framework of risk management, governance, and internal control.

11. Background Papers

Appendix A – Internal Audit Annual Opinion Report 2023/24

EASTERN INTERNAL AUDIT SERVICES



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



BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK COUNCIL

Internal Audit Annual Opinion Report 2023/24

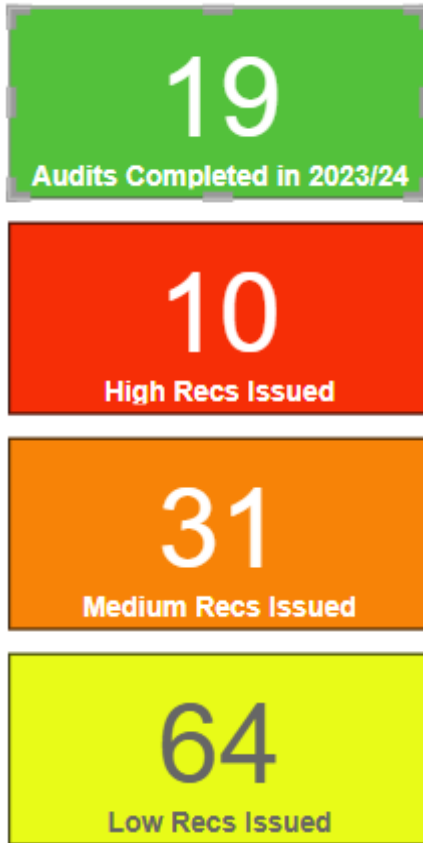
Head of Internal Audit: Teresa Sharman

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Summary: Internal Audit Work 2023/24

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HOIA opinion – Reasonable / Limited
13 positive opinions of which 4 were 'substantial'
3 'limited' opinions

Executive Summary

Purpose

The Head of Internal Audit should provide an annual report, detailing its opinion on the framework of governance, risk management and control, to those charged with governance to support the Council's Annual Governance Statement (AGS).

This report should include the following: -

- An opinion on the overall adequacy and effectiveness of the Council's governance, risk management and internal control environment;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Detail a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Any control weakness considered by the Head of Internal Audit to be relevant to the preparation of the AGS;
- A summary of the work undertaken during the year to support the opinion, including any reliance placed on the work of other assurance bodies;
- An overall summary of the performance of the Internal Audit Service against its performance indicators; and
- The results of the internal audit quality assurance programme, including details of compliance with Internal Audit Standards.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.

Background

The Internal Audit Service for the Council is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council, which utilises the services of a contractor, TIAA Ltd.

All audit work is completed in accordance with the International Professional Practices Framework of the Chartered Institute of Internal Auditors, directed by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note 2019.

Internal audit provides an independent and objective opinion on the Council's internal controls by evaluation their effectiveness and operation in practice.

Scope of Responsibility

The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

This opinion statement is provided for the use of the Council in support of its AGS for the year ended 31 March 2024.

Head of Internal Audit Annual Opinion Statement

Opinion

In summary

I have considered the audit work for 2023/24 for the Council and am able to provide **Reasonable / Limited Assurance** in relation to the framework of risk management, governance, and internal control.

In detail

My opinion is based on the audit work completed in 2023/24, other third-party assurances and the relative materiality of the issues arising from audit work as well as management's progress in addressing any control weaknesses identified. There are some areas which require the improvement of governance or internal controls to ensure the achievement of the Council's objectives where limited assurance was provided and urgent recommendations made.

In arriving at my overall annual opinion: -

- I have considered the outcomes of all audits completed in 2023/24, particularly, the three limited' assurance opinions as detailed below which highlights weaknesses in the safeguarding of assets and the management of capital projects.
- I have considered the outcomes of the advisory work completed on West Norfolk Property Limited and West Norfolk Housing Company Limited as detailed below which highlights weaknesses in the governance arrangements.
- I have considered management's progress with addressing outstanding recommendations from previous years as detailed below which highlights that much improvement is needed in implementing recommendations.
- Reliance has not been placed on any third-party assurances.

Limited opinions

Three limited assurance opinions have been issued in 2023/24 and key control weaknesses were identified as detailed below. These control weaknesses represent unresolved risks and should be considered for inclusion within the Council's Annual Governance Statement where the recommendations to address these remain outstanding at year end.

Starters, Movers and Leaves (Final report issued September 2023)

Two of the three high recommendations relating to adding new starters to and removing leavers from the network have been completed. The other remains open and is overdue and is in relation to: -

- A full review of assets and equipment held across the organisation is needed and the ICT Asset Register updated accordingly.

This control weakness affects the ability of the Council to safeguard its assets.

Capital Programme (Final report issued April 2024)

- Four high recommendations were raised in relation to the monitoring and oversight, and establishment of decision-making procedures for 'operational scheme' projects, particularly for change control, and resourcing the Project Management Office to enable this all. The final recommendation relates to reviewing and updating the Asset Management Plan and using this to feed the Capital Programme. 'Operational scheme' projects account for circa £21M in the current 2022/23 to 2026/27 capital programme.
- A further six medium recommendations were also raised in relation to the governance of the capital programme.

These control weaknesses impact on the ability of the Council to manage projects effectively and deliver them on time and within budget.

The due dates range from September 2024 to March 2025 for all these recommendations.

Public Open Spaces (Final report issued December 2023)

- Three high recommendations were raised in relation to reviewing the Tree and Woodland Strategy to ensure progress is being made, ensuring other relevant policies and strategies have taken account of this Strategy, and reviewing the tree management recording system regarding its efficiency and effectiveness. The former two recommendations have due dates of June 2024 and the latter March 2024 which remains open and is overdue.
- A further two medium recommendations were raised regarding the monitoring and reporting of KPIs. One of these is completed and the due date for the other is June 2024.

These control weaknesses impact on the Council's ability to understand progress with this strategy and how other policies, strategies and plans are affected by it, and report information to management.

Position Statements

Two position statements on Council's Local Authority Trading Companies (LATCOs), West Norfolk Property Limited and West Norfolk Housing Company Limited were issued in 2023/24. Both advisory pieces of work

assessed the strategic and governance arrangements at both companies against the Local Partnerships' Local Authority Company Review Guidance.

West Norfolk Property Limited

Actions for improvement were made in relation to: -

- Finalising key governance documentation for the Company such as articles of association, shareholder's agreement, the Business Plan, the Service Level Agreement (SLA), financial agreements etc.
- Review and update the Risk Register and Business Plan.

This all impacts on the ability of the Company to function within applicable laws and regulations and as intended to fulfil its purpose.

West Norfolk Housing Company Limited

Actions for improvement were made in relation to: -

- Signing key governance documentation.
- Updating costs within the SLA to give a true picture of service costs.
- Establishing some performance measures for monitoring.

This all impacts the ability to effectively monitor the Company.

Third party assurances

No third-party assurances have been relied upon.

Outstanding Recommendations

In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end 2023/24 is that 80 recommendations crossing the years 2018/19 to 2023/24 are outstanding which has been accounted for in my overall annual opinion. The table below shows the numbers by the year in which they were raised for high and medium recommendations: -

Audit Year	No. Outstanding	No. of High	No. of Medium
2018/19	3	0	3
2019/20	5	0	5
2020/21	1	0	1
2021/22	10	5	5
2022/23	8	1	7
2023/24	11	2	9
Totals	38	8	30

The five high recommendations in 2021/22 relate to the Capital Programme audit (3) and Alive West Norfolk (2) audits.

The one high recommendation in 2022/23 relates to the Procurement and Contract Management audit.

The two high recommendations in 2023/24 relate to the Public Open Spaces audit (1) and the Starters, Movers and Leavers audit (1).

Please refer to the separate Recommendations Follow Up report June 2024, which shows the details of the progress made to date in relation to the implementation of agreed recommendations, and which also provides an update from management regarding all outstanding recommendations.

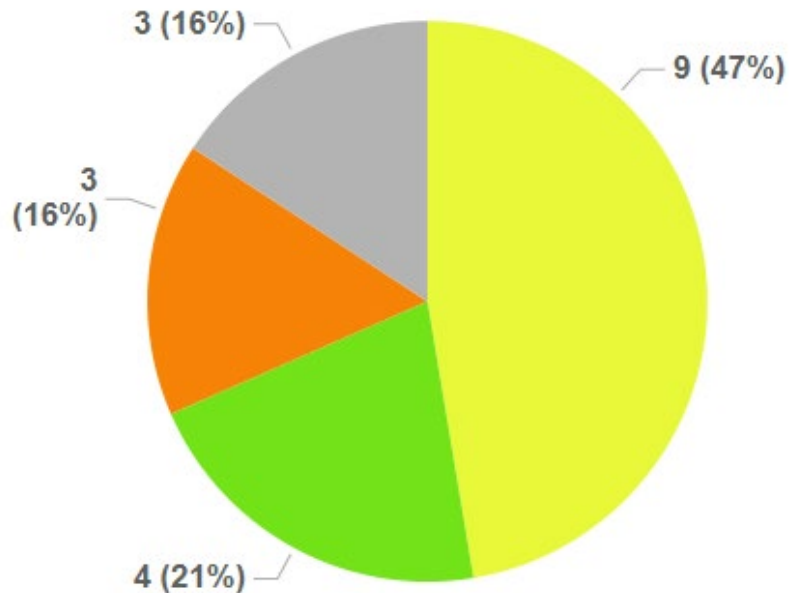
Although some progress has been made in implementing recommendations this year, too many recommendations remain outstanding with 35 overdue by 365+ days and 68 overdue by 100+ days. This has been highlighted to the Senior Leadership Team.

Cyber Security Follow Up

A separate follow up on the 2022/23 Cyber Security audit was completed in 2023/24; three of the nine actions for the partially in place controls are implemented. The actions for the one red, three amber and two of the four green controls, which were partially in place, are still being implemented.

Audit Outcomes

Below is the spread of audit opinions across audit work completed in 2023/24, Two of the 19 audits were advisory work. For a detailed summary of audit work completed, please refer to Appendix 1.



Audit work in 2023/24 covered corporate areas, service areas, governance, finance systems, housing benefits, and council tax billing and business rates.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.
Position Statement	Advisory work and Follow Up work.

Appendix 2 shows the assurances provided over previous and current audit years to provide an overall picture of the control environment.

Performance Measures Outcomes

Internal Audit PM Outcomes

Detailed below are the outcomes of the in-house Internal Audit Team's performance measures which relate to the delivering internal audits for the Council. Currently the Team has one KPI which is for client feedback. The table below shows the outcome for this KPI.

KPI Client Feedback
3 out of 18 returned
Average score – 4, very good

The range for the possible scores is, 5 - excellent and 1 – very poor.

Actions to Improve

As the tables above highlight, very few client feedback surveys were returned. During 2024/25 the Head of Internal Audit will review the survey with a view to making it shorter, focusing on a small number of questions to aid a higher return rate.

The Head of Internal Audit will also help the in-house Team develop some more operational KPIs which will inform the Team's performance in delivering internal audits and value for the Council.

Quality Assurance and Improvement Programme (QAIP)

QAIP

To comply with Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit is required to develop and maintain an ongoing quality assurance and improvement programme (QAIP) which must include both internal and external assessments. There are three requirements as follows: -

- Ongoing monitoring of the performance of the internal audit activity. This refers to the day-to-day supervision, review and measurement of internal audit activity that is built into policies and routine procedures. The day-to-day monitoring of audit engagement is completed by the Contractor and progress with audit work and plans are monitored by the EIAS through weekly operational and quarterly performance meetings with the Contractor, and by review and approval of audit outputs, as well as by an evaluation of the Contractor's performance against our suite of KPIs.
- Periodic self-assessments to assess conformance with the International Professional Practices Framework (IPPF) that includes the Definition of Internal Auditing, the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. A self-assessment is completed annually.
- External assessments of conformance to the IPPF once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

The results of the QAIP are reported to the Audit Committee each year as part of this annual report.

The Internal Audit Team within EIAS maintain a QAIP which covers internal and external assessments and was detailed within your Strategic and Annual Plan Report 2024/25 to 2026/27.

Internal Assessment

A checklist for conformance with the PSIAS and the CIPFA Local Government Application Note 2019 was completed for 2020/21 and is reviewed for continuing compliance annually. This is a self-assessment which evaluates conformance with the PSIAS.

This annual self-assessment has not been completed in 2023/24. This is because the Global Internal Audit Standards (GIAS) have been released and will become effective on 1 January 2025. Our focus is now on completing a self-assessment against these to identify any gaps in conformance so that these can be addressed, and a report will be provided to the Audit Committee during 2024/25 on our conformance. A CIPFA version for the Public Sector is expected during 2024.

(Note: the PSIAS are based on the mandatory elements of the IPPF).

External Assessment

An external quality assessment (EQA) evaluates conformance with the IPPF.

An EQA was carried out in October 2022 by the Chartered Institute of Internal Auditors (IIA). The Internal Audit Service received a 'generally conforms' result, with conformance in 60 out of 64 areas (two areas were not applicable, and two resulted in 'partially conforms').

Progress with actions

One area of partial conformance was highlighted in coordinating and maximising assurance. Within the Strategic and Annual Plans report for the audit year 2023/24 presented in March 2023, an Assurance Map was provided, outlining the then top risks, along with first, second and third lines of assurance. This was not repeated for the 2024/25 audit year. It has been proposed to complete detailed assurance maps for at least one of the Council's corporate risks.

The second area of partial conformance was raised to ensure that all EIAS clients receive an external quality assessment as it falls due on the five-year anniversary. This will be ensured at the five-year anniversary in 2027.

Summary of Internal Audit Work 2023/24

Appendix 1

Audit Area	Status	Opinion	Total	High	Medium	Low
Counter Fraud and Corruption Framework	Final	Substantial	3	0	0	3
Council Tax and NNDR	Final	Substantial	1	0	0	1
Payroll and HR	Final	Substantial	0	0	0	0
Local Council Tax Support and Housing Benefits	Final	Substantial	2	0	0	2
Key Controls and Assurance	Final	Reasonable	12	0	3	9
Land Charges	Final	Reasonable	10	0	4	6
Homelessness and Housing Options	Final	Reasonable	2	0	1	1
Corporate Governance	Final	Reasonable	11	0	4	7
Complaints and FOI	Final	Reasonable	13	0	5	8
Waste Management	Final	Reasonable	1	0	1	0
Housing Standards/HMO	Final	Reasonable	8	0	1	7
Economic Growth	Final	Reasonable	3	0	1	2
Community Infrastructure Levy	Final	Reasonable	5	0	1	4
Public Open Space incl. play areas, tree mgmt	Final	Limited	8	3	2	3
Capital Programme	Final	Limited	13	4	6	3
Starters, Movers, Leavers	Final	Limited	13	3	2	8
West Norfolk Housing Company Ltd	Final	Position Statement	0	N/a	N/a	N/a
West Norfolk Property Ltd	Final	Position Statement	0	N/a	N/a	N/a
Follow up of Cyber Security Risks	Final	Position Statement	0	N/a	N/a	N/a
Organisational Development - Training	-	Deferred	N/a	N/a	N/a	N/a
Cost Management Programme	-	Deferred	N/a	N/a	N/a	N/a
IT Governance	-	Deferred	N/a	N/a	N/a	N/a

Grant Certifications

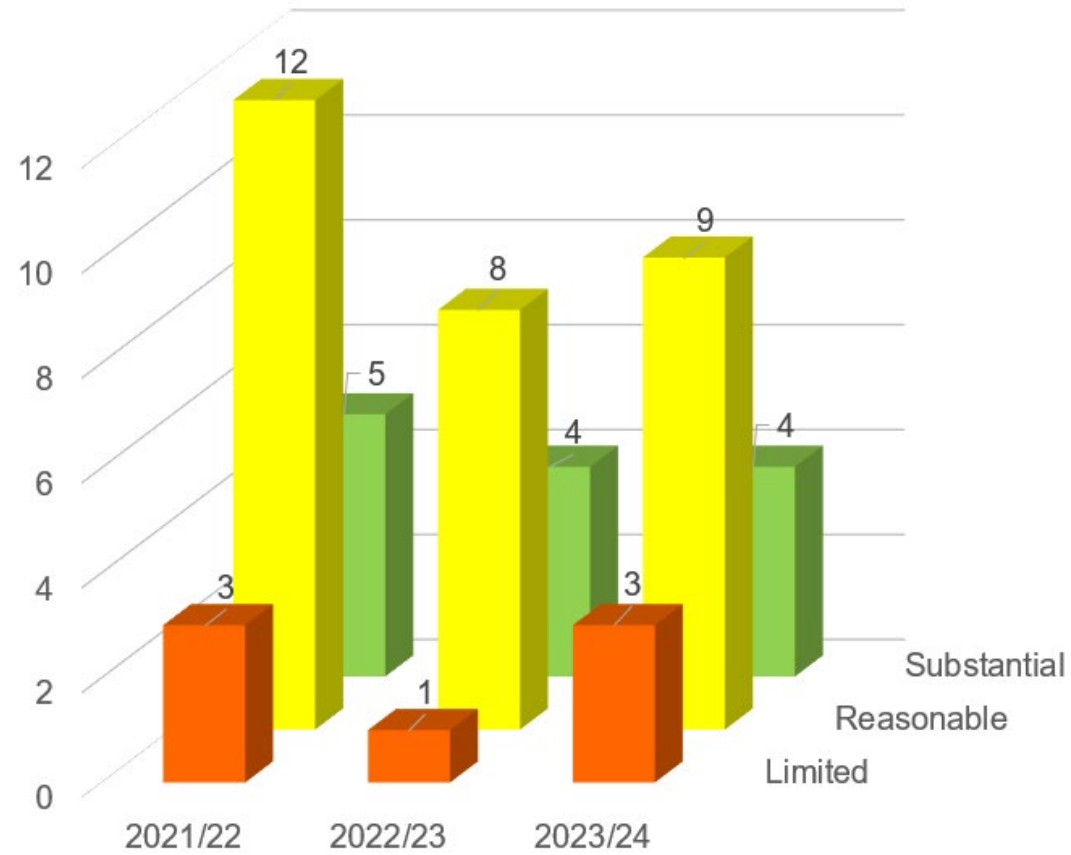
The following grants were certified by EIAS during 2023/24: -

- Food Waste Collection Declaration P/e 2023/24
- Disabled Facilities Capital Grants P/e 2022/23

111

Audit Opinions by Year

The following chart shows the audit opinions for audits over the last three years: -



POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 June 2024		
TITLE:	Results of Audit Committee’s Self-Assessment Exercise and Action Plan		
TYPE OF REPORT:	For noting and consideration		
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

PURPOSE OF REPORT/SUMMARY:
This report details the results of the self-assessment exercise completed by Members at the last Audit Committee meeting and the resulting action plan.
KEY ISSUES:
There are no key issues.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
For Audit Committee to note the documented results of the self-assessment exercise and review the action plan and consider whether all improvement actions have been captured.
REASONS FOR RECOMMENDATIONS:
To note the results from the exercise, and the improvement actions to complete over the coming year.

REPORT DETAIL

1. Introduction

- 1.1. The Chartered Institute for Public Finance and Accountancy (CIPFA) document on “Audit committees - practical guidance for local authorities and police 2022” sets out the guidance on the function and operation of audit committees. It represents CIPFA’s view of best practice. The guidance states the purpose of an audit committee “is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.”
- 1.2. In 2022 CIPFA updated its advice and guidance for Local Authority Audit Committee’s and a new Audit Committee self-assessment template is now available.
- 1.3. Good audit committees are characterized by; objective, independent knowledgeable and properly trained members, a membership that promotes good governance principles, a strong, independently minded chair, an unbiased attitude, the ability to challenge when required.
- 1.4. It is good practice for audit committee members to review their knowledge and skills – for example, as part of an annual self-assessment process or training needs analysis.
- 1.5. In addition, the Public Sector Internal Audit Standards also call for the Audit Committee to assess their remit and effectiveness, in relation to Purpose, Authority and Responsibility, to facilitate the work of this Committee.
- 1.6. The guidance provides a tool, the ‘Self-assessment of good practice’ against which the Committee can self-assess under the areas of ‘purpose and governance’, ‘functions of the Audit Committee’, ‘membership and support’, and ‘effectiveness of the committee’. Scores of 0 – 5, does not comply / major improvement to fully complies / no further improvement are the available options for the questions.
- 1.7. This self-assessment was completed with Members at the last Audit Committee meeting.

2. Proposal

The report sets out the results of the self-assessment exercise and the actions for improvement arising from this.

3. Issues for the Panel to Consider

Members should consider the results and the actions for improvement.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note the documented results of the self-assessment exercise and review the action plan and consider whether all improvement actions have been captured.

11. Background Papers

Appendix 1 – Results of the Self-Assessment Exercise

Appendix 2 - Action Plan

Results of self-assessment exercise

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
Audit committee purpose and governance						
1	Does the authority have a dedicated audit committee that is not combined with other functions (e.g., standards, ethics, scrutiny)?					5
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?				3 - Need to confirm reporting line	
3	Has the committee maintained its advisory role by not taking on any decision-making powers?				3 - Approve Financial Statements	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					5 – check covers what CIPFA says
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				3	
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7	Does the governing body hold the audit committee to account for its performance at least annually?				3 - through Annual Report	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers		0	1	2	3	5
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:					
	<ul style="list-style-type: none"> Compliance with the CIPFA Position Statement 2022 				3 – need to check contents cover these points	
	<ul style="list-style-type: none"> Results of the annual evaluation, development work undertaken and planned improvements 				3 – as above	
	<ul style="list-style-type: none"> How it has fulfilled its terms of reference and the key issues escalated in the year? 				3 – as above	
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
	Governance arrangements				3	
	Risk management arrangements				3	
	Internal control arrangements, including: <ul style="list-style-type: none"> Financial management Value for money Ethics and standards 				3	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
	<ul style="list-style-type: none"> Counter fraud and corruption 					
	Annual governance statement				3	
	Financial reporting				3	
	Assurance framework				3	
	Internal audit				3	
	External audit				3	
10	Over the last year, has adequate consideration been given to all core areas?				3 – not sure on VFM	
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?				3	
12	Has the committee met privately with the external auditors and head of internal audit in the last year?		1			
Membership and support						
13	Has the committee been established in accordance with the 2022 guidance as follows?					
	<ul style="list-style-type: none"> Separation from executive 					5

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
	<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 				3 – is over 8 and uses substitutes	
	<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 			2 – has been agreed to do		
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?				3 – some members have relevant skills	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?				3	
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					5
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				3	
18	Is adequate secretariat and administrative support provided to the committee?					5

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?			2		
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22	Are meetings effective with a good level of discussion and engagement from all the members?					5
23	Has the committee maintained a non-political approach to discussions throughout?					5
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?				3	
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
26	Do audit committee recommendations have traction with those in leadership roles?					5
27	Has the committee evaluated whether and how it is adding value to the organisation?				3 – do 2 nd CIPFA SA next year	
28	Does the committee have an action plan to improve any areas of weakness?				3 – do as a result of this SA	
29	Has this assessment been undertaken collaboratively with the audit committee members?				3 - some members missing	
	Total score					142
Maximum possible score						200

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Action Plan

Action	Owner	Date for Completion	Progress
1. Reporting line for the audit committee to be ascertained and confirmed (Q2)	M Drewery / A Baker	N/A	Completed - We have a Cabinet Executive model in place and Audit Committee make recommendations to Cabinet / Full Council and provides an Annual Report to Full Council.
2. Review the decision-making powers of Audit Committee as currently approving financial statements (Q3)	M Drewery / A Baker	TBC	
3. Update the Audit Committee's terms of reference to include the purpose of the Audit Committee (Q4) and to explicitly address all the core areas identified in CIPFA's Position Statement (Q9)	A Baker / Emma Briers	Audit Committee on 5 Sep 2024 and then Cabinet / Full Council in Oct 2024	
4. For the next annual report of the Audit Committee ensure the following are included: - <ul style="list-style-type: none"> • Compliance with the CIPFA Position Statement 2022 • Results of the annual evaluation, development 	A Baker / E Briers / Cllr Ryves	Audit Committee on 5 September 2024 and then to Full Council in Oct 2024	

Action Plan

Action	Owner	Date for Completion	Progress
work undertaken and planned improvements <ul style="list-style-type: none"> • How it has fulfilled its terms of reference and the key issues escalated in the year. (Q8) 			
5. Ensure that Audit Committee’s agenda covers all of the core areas in its terms of reference over the year. (Q10)	Emma Briers / M Drewery / Cllr Ryves	Ongoing	To review at each meeting
6. Audit Committee to meet privately with the external auditors and head of internal audit each year. (Q12)	M Drewery / T Sharman / J Hay	Internal Audit June 24 EY TBC	
7. Audit Committee to consider the number of members and whether the use of substitutes should continue. (Q13)	To be addressed as part of terms of reference review		
8. Audit Committee members to undertake an evaluation of their knowledge, skills and training needs every two years. (Q15)	T Sharman	To be completed over the summer months with a report to Audit Committee in November 24	

Action Plan

Action	Owner	Date for Completion	Progress
9. As a result of the evaluation in 9 above, arrange training to address training needs of Audit Committee Members. (Q16)	M Drewery / T Sharman	TBC following outcome of evaluation	
10. As a result of 9 above, if training cannot address any skills or knowledge gaps to a satisfactory level, consider revising the membership of the Audit Committee to address this. (Q14 & Q17)	Audit Committee to make recommendation to Cabinet/Council for them to consider	TBC following outcome of evaluation and training	
11. Obtain feedback on Audit Committee's performance from those interacting with the committee or relying on its work. (Q20)	T Sharman	Report to Audit Committee in November 24	
12. Evaluate whether and how the Audit Committee is adding value to the Council by completing the 2 nd CIPFA assessment tool, 'evaluating effectiveness of the audit committee' (Q27)	Teresa Sharman, Head of Internal Audit to facilitate a session	Q1 2025/26	
13. Ensure all Members participate in the 2 nd CIPFA assessment tool, 'evaluating	Audit Chair	When the exercise is scheduled	A good proportion of Members were present for the first tool self-assessment in April 2024.

Action Plan

Action	Owner	Date for Completion	Progress
effectiveness of the audit committee' exercise. (Q29)			

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 th June 2024		
TITLE:	Full year Fraud & Error Progress Report 2023-24		
TYPE OF REPORT:	Update		
PORTFOLIO(S):	Cllr Morley, Finance		
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:

This report is aimed to provide the following in respect of the period April 2023 to March 2024 for areas such as Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arises.

KEY ISSUES:

Section 5 of the Anti-Fraud & Anti-Corruption Policy recognises that the Council as a large organisation is at risk of loss due to fraud and corruption both internally and externally. The Policy sets out the approach that the Council uses to manage the risk of fraud and corruption and minimises the losses incurred.

Appendix 3 to the Policy outlines that the Council has adopted the Cabinet Office's national "Report Calculations" for measuring fraud loss where appropriate and uses local calculation methodologies where it feels local weighting should be applied and to furthermore be consistent with other member local authorities of the Norfolk FraudHub.

The attached report is presented to show performance against the Anti-Fraud & Anti-Corruption Policy for Audit Committee to review the effectiveness of the policy and how the Council measures against the national counter-fraud standards (as set out within the Anti-Fraud & Corruption Policy and the Fighting Fraud & Corruption Locally 2020 standards), including where appropriate details of corrective action where standards have not been met. The report includes details of the level of fraud loss and the activities being undertaken to raise the anti-fraud & anti-corruption culture across the authority.

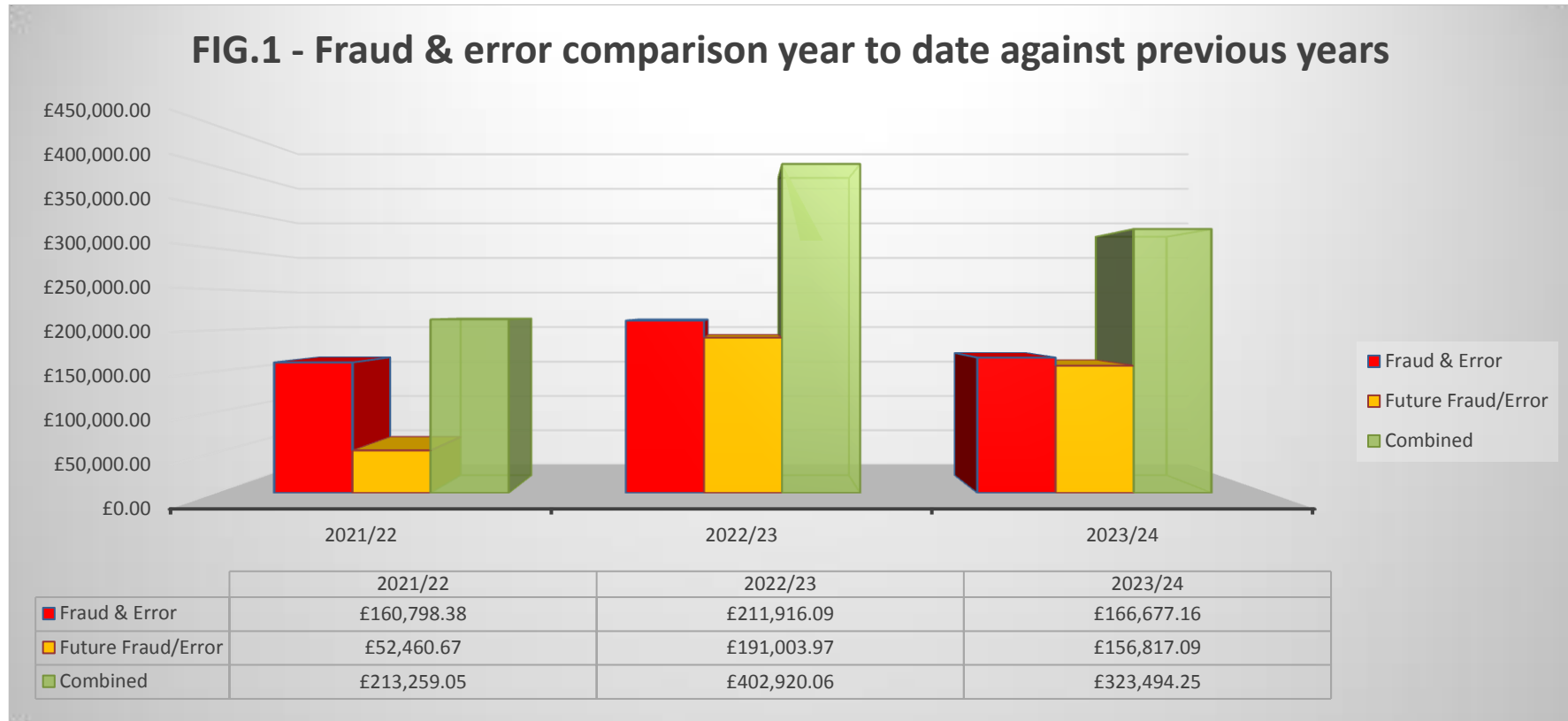
OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
Members are asked to note the update of the anti-fraud & anti-corruption work.
REASONS FOR RECOMMENDATIONS:
Fraud and Error reports are to be presented by Internal Audit to the Audit Committee on a half-yearly basis, to show how the Council is performing against the Anti-Fraud & Anti-Corruption Policy.

Full Year Fraud & Error Progress Report 2023/24

1. Report overview

1.1 This report is aimed to provide the following in respect of the period April 2023 to March 2024:

- **SECTION 2** - Progress towards the Anti-Fraud & Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department.
- **SECTION 3 TO 5** - Statistical information in respect of fraud and error detection for applications and claims received by the Council deemed to have been false, incorrect, or where a relevant change in circumstances has failed to be declared resulting in a financial gain or where an error has been identified and amended.
 - Including the areas of coverage which are mainly Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arises.
- **SECTION 6** - Statistical information in respect of traced debts where the Internal Audit Team have been contacted for assistance.
- **SECTION 7 TO 9** - Statistical information in respect of data matching activities undertaken through NFI and Norfolk Fraud Hub.
- **SECTION 10 TO 11** - Statistical information in respect of fraud and error detection for grants retrospectively identified as having been paid to customers/businesses who were not eligible undertaken by the Revenues Assurance Team.
- **SECTION 12** – Details around Anti-Fraud and Anti-Corruption culture and awareness activities
- **SECTION 13** - A look forward to the planned priorities for 2024/25 in respect of Anti-Fraud and Anti-Corruption.



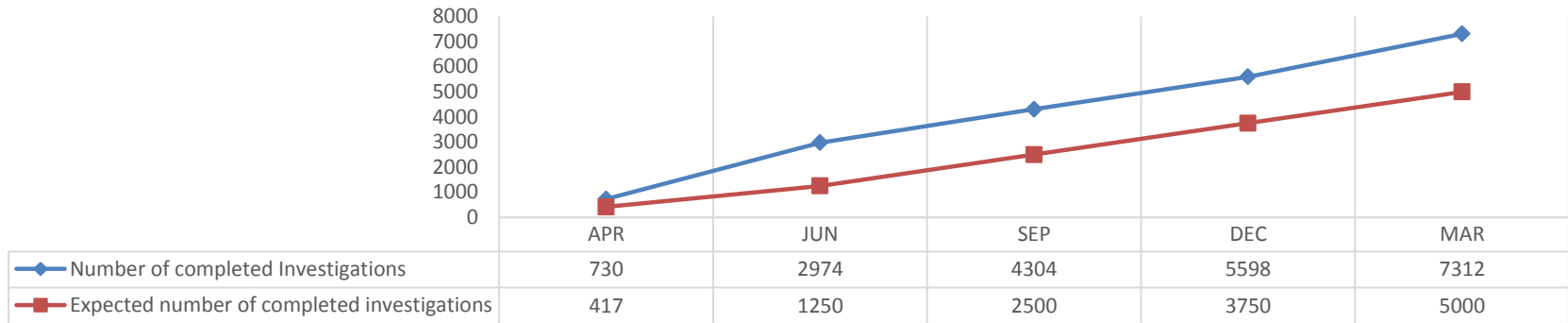
- Activities undertaken by the Internal Audit department include fraud investigations, data matching exercises, collaboration with other organisations (such as DWP and members of the Norfolk FraudHub).

2. Key Performance Indicators

2.1 As part of the Directorate Service Plan for Resources the following KPIs were set for the 2023/24 financial year for the purposes of the Internal Audit Departments role in tackling fraud and error:

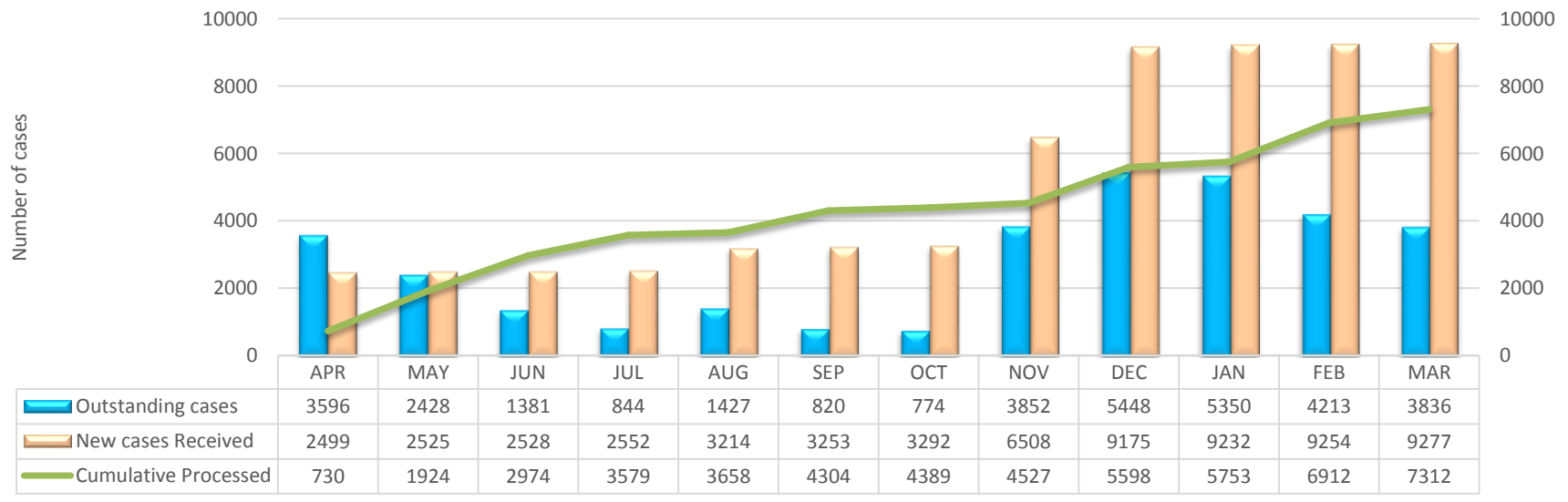
- 5,000 completed fraud/corruption investigations (including data matching exercises) per annum. (**see fig.2**)

FIG.2 - KPI TOTAL INVESTIGATIONS 2023/24



7,312 completed investigations (146.24%) of the expected full year KPI target of 5,000

Fig.3 - 2023/24 Overall Case Processing Progress



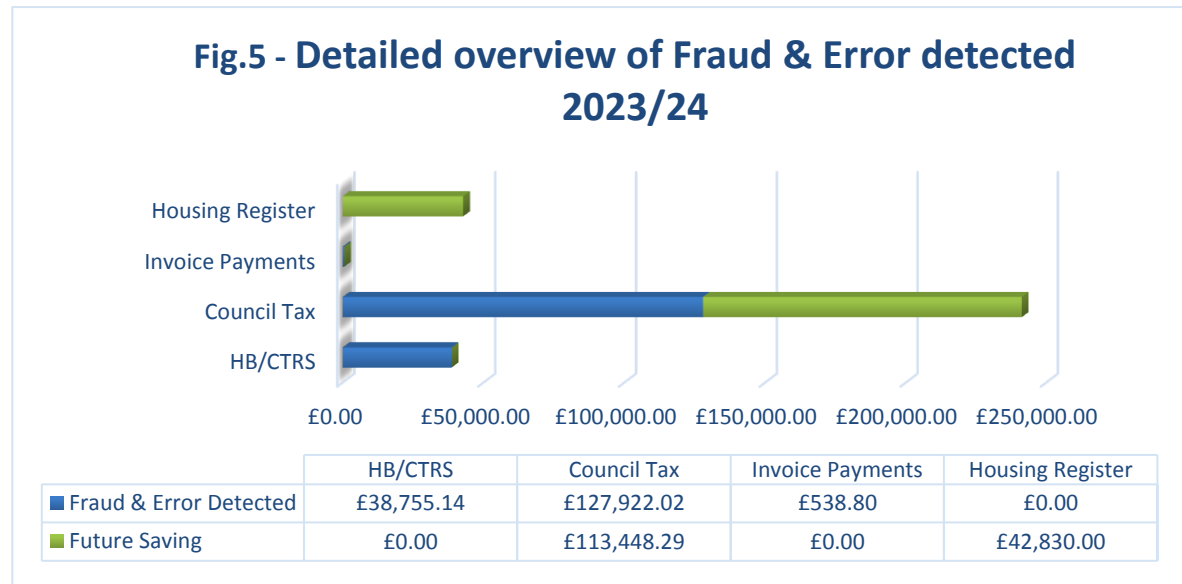
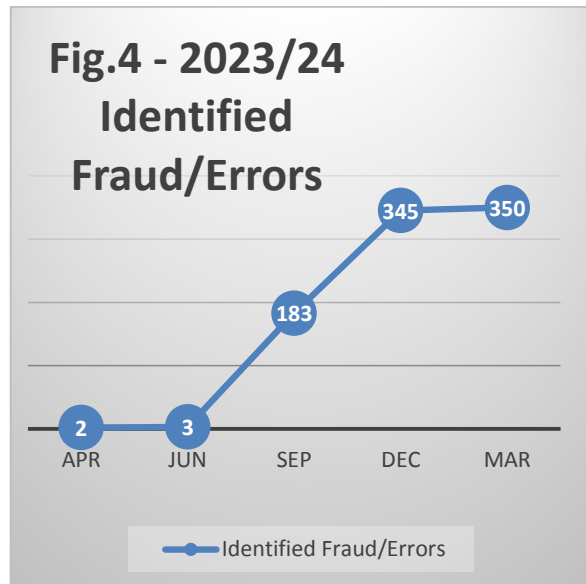
1,827 cases were brought forward from 2022/23 financial year to the 2023/24 financial year, a total of 9,277 cases were received during the 2023/24 financial year, with 7,312 being processed. 3,836 cases were outstanding at the end of the 2023/24 financial year which have been carried forward to the 2024/25 financial year.

3. Overview of Fraud/Error Detection

- 3.1 The borough is made up of 75,620 residential dwellings with 23,183 receiving Single Person Discount awards. SPD is awarded to 30.66% of all dwellings in the borough.
- 3.2 There are 6,682 Non-Domestic rates hereditaments across the Borough. With 4,814 of these receiving some type of relief or reduced bill. Reliefs / reduced bills are being awarded on 72% of all business rateable hereditaments in the borough.
- 3.3 There are 9,149 live Council Tax Reduction Scheme claims in payment across the borough. With 4,206 (46%) claims in payment to customers of pension age and 4,947 (54%) claims in payment to customers of working age.
- 3.4 The results shown in **fig.1** show that £939,673.36 in fraud and error has been identified during the last 3 financial years (an average of £313,224.45 per year)
- 3.5 Total counter fraud related spend during 2022/23 was **£38,294.00**.

4. Detailed Overview of Fraud/Error Detection

- 4.1 A total of **350** instances of fraud/error have been identified to the total value of **£323,494.25 (see fig.1)**
 - Waiting list – 10 cases
 - Invoice payments – 1 case
 - Council Tax – 279 cases
 - HB / CTRS – 38 cases
 - Other identified errors – 22 cases



5. Other Identified Errors

5.1 **22** Council Tax accounts have also been amended where the changes applied made no effect on current liability but prevented potential future fraud or error occurring. These figures are included within **fig.4**.

6. Debtor Tracing Activities

6.1 Internal Audit assist the authority corporately providing debtor tracing services on a case-by-case basis. This is provided where requests to attempt to trace customers with debts are received where other tracing attempts have been exhausted within the affected service area. Where a successful trace has been made any new address/contact information is provided to the service area who are responsible for pursuing and recovering the debt.

6.2 A total value of **£145,413.94** has been traced overall 5 tracing requests were received and 3 debtors were successfully traced and passed back to the relevant departments for recovery purposes.

7. Data Matching Activities

7.1 As part of the investigation work conducted, data matching exercises continue to be carried out with the Cabinet Office's **NFI and the Norfolk Fraud Hub**, these exercises cross-over financial years. The number of new data matches received, the number of processed matches and the number of matches outstanding during the financial year are included within fig.3.

7.2 There are currently two themes of NFI reporting being completed:

7.3 NFI

- The NFI National Exercise – This is a council wide data matching exercise, focusing on all possible areas of the council including Creditors, Payroll, Council Tax and Housing Benefits. This exercise is undertaken every two years.
- The Flexible Matching Service – This is carried out annually, focusing primarily on Council Tax data matches in need of investigation. The Flexible Matching Service deals with matches mainly consisting of:
 - Council Tax SPD - the outstanding matches are for Council Tax accounts that do not match Electoral Register information that require further investigation.
 - Matches where the second adult is due to turn 18 between now and the end of the financial year.
 - Council Tax matches against income details, capital details, household composition details, and property ownership details held by HMRC.

7.4 The Norfolk Fraud Hub

- The Norfolk Fraud Hub was established in 2019/20, it assists in the detection of fraud and error earlier by carrying out more frequent data matching of key data sets between all 7 district authorities in Norfolk and Norfolk County Council.
- This work provides further assurance that claims, and applications are genuine, and that information and data recorded in our systems is consistent and accurate.
- As part of the Norfolk Fraud Hub project a Steering Group is also in place where best practices and knowledge is shared across each of its 8 member organisations including details on emerging and new fraud risks/threats.

8. SPD Project

8.1 The SPD project (funded by Norfolk County Council) has continued and has now completed year 4 of the project. We have received approval from Norfolk County Council for year 5 (2024/25) for funding of £65,623.06.

8.2 Results from the project to date – *Fig.6*

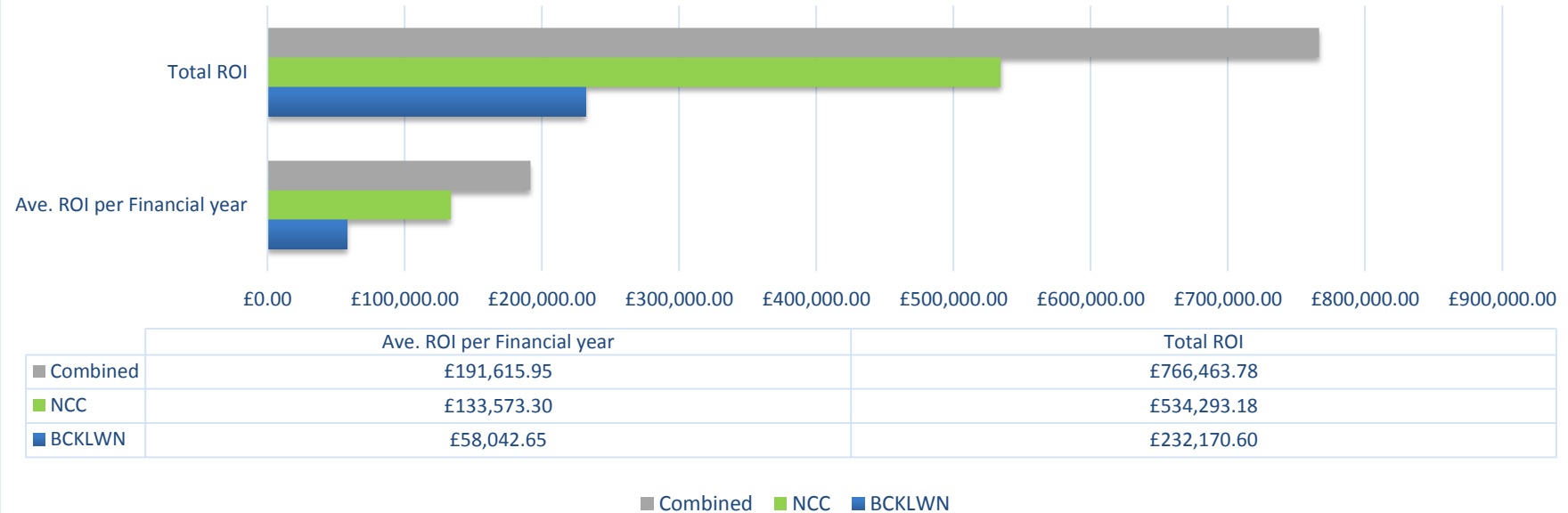
<i>Financial Year</i>	Council Tax Value Identified (£)	Additional Benefit Value Identified (£)
<i>Year 1 (2020/21 financial year)</i>	£130,200.27	£7,785.42
<i>Year 2 (2021/22 financial year)</i>	£129,190.22	£21,448.78
<i>Year 3 (2022/23 financial year)</i>	£386,850.49	£0.00
<i>Year 4 (2023/24 financial year)</i>	£233,647.04	£38,244.33
SUB-TOTAL	£879,888.02	£67,478.53
TOTAL	£947,366.55	

8.3 Below is a table that outlines the number of matches we have received, and the corresponding number of errors identified during each year of the project - *Fig.7*

<i>Financial Year</i>	Matches Received	Errors Identified
<i>Year 1 (2020/21 financial year)</i>	4,564	254
<i>Year 2 (2021/22 financial year)</i>	5,856	180
<i>Year 3 (2022/23 financial year)</i>	1,901	532
<i>Year 4 (2023/24 financial year)</i>	5,246	292
TOTAL	17,567	1,258

8.4 The “Return on Investment” from the Single Person Discount project to date for both the Borough Council of King’s Lynn & West Norfolk and the sponsor (Norfolk County Council) is shown in **fig.8**

fig.8 - SPD Canvass Review Data Matching Return on Investment



9. Overall Data Matching Activities

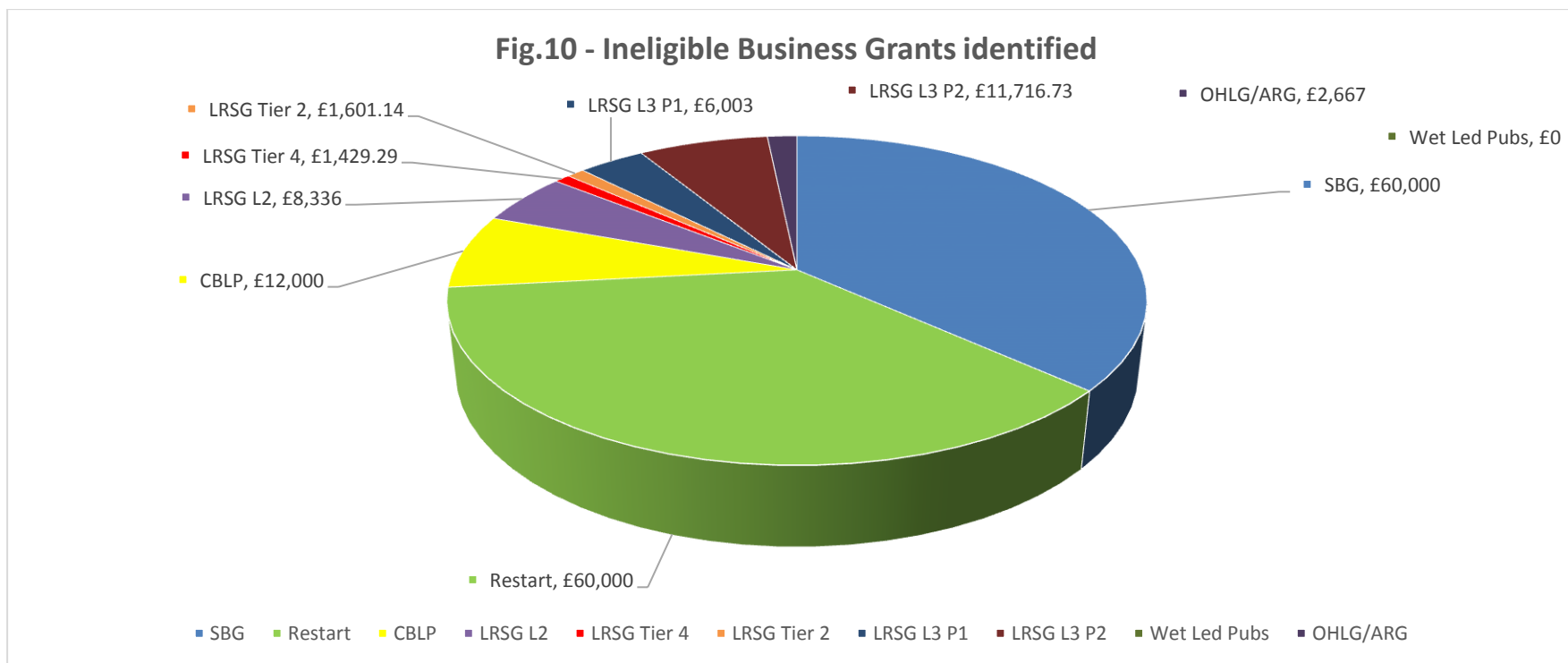
9.1 Below provides an overview for all Data Matching areas covered within the Internal Audit Department's current work programme of exercises being undertaken. fig.9:

Exercise	Matches Processed	Errors Identified	Strike Rate	Value Detected
SPD & Premium	5,246	292	5.57%	£271,891.37
FraudHub	1,392	14	1.01%	£45,742.97
National NFI	614	1	0.16%	£538.80
TOTAL	7,252	307	4.23%	£318,173.14

10. Covid-19 Business Grants

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

10.2 Post assurance of all grants awarded has now been completed. Since the commencement of the Covid-19 Business Grant Schemes 18 Grant recipients were identified as having not been entitled to those grants awarded due to either fraud, non-compliance, or error. 1 further recipient identified £3,000.00 to be voluntarily returned. This means 19 cases were identified at a value of **£163,753.16**



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

10.4 The total value recovered up to 31st March 2024 was **£69,980.36**, with **£8,706.37** still being recovered by the Revenues Department.

10.5 11 cases have been referred to BEIS for debt assignment and recovery to the value of **£85,066.43**. Fig.11

Total amount recoverable	£163,753.16
<i>Recovered to date</i>	£69,980.36
<i>Still being recovered</i>	£8,706.37
<i>Passed to BEIS for recovery</i>	£85,066.43

10.6 Any Business Grants recovered go back to BEIS, the council do not retain any recovered grants that are investigated and found to be either fraud, non-compliance, or error.

11. Other Schemes

11.1 Test & Trace Support. This scheme is now closed with 1,360 payments having been made totalling £688,000. These payments were made to workers who had received notifications to self-isolate and as a result had periods of reduced pay from their employment. These customers were required to provide evidence of reduced earnings as part of their applications.

11.2 Energy Rebate. This scheme is now closed with 60,000 payments having been made totalling £9.2m.

11.3 Energy Bills Support Scheme (EBSS AF) and Alternative Fuel Payments (AFP AF). Both these schemes closed to new applications on 31st May 2023. However, the EBSS AF scheme for applications from Corporate appointees was closed on 16th June 2023 (this being aimed at Care Homes). There were the following payments made under these schemes (Fig.12):

Scheme	Total No. of Payments	Total Value of Payments	Total No. of rejected applications	Total No. of cancelled applications	Total No. of ineligible applications
EBSS AF	538 at £400.00 each	£215,200.00	43 (£17,200.00)	46 (£18,400.00)	18 (£7,200.00)
AFP AF	543 at £200.00 each	£108,600.00	46 (£9,200.00)	185 (£37,000.00)	11 (£2,200.00)
Total	1,081	£323,800.00	89 (£26,400.00)	231 (£55,400.00)	29 (£9,400.00)

11.4 No amounts were required to be recovered within these schemes and these schemes have now been reconciled with all unspent funding returned to the Department for Energy Security and Net Zero (namely £559,200.00 EBSS AF and £127,400.00 AFP AF).

12. Anti-Fraud & Anti-Corruption Culture

- 12.1 Fraud awareness e-learning packages were rolled out to officers in November 2022 and formed part of members induction training following the May elections. A further Fraud Awareness e-learning package has also been rolled out for managers in November 2022.
- 12.2 An Anti-Fraud & Anti-Corruption communication strategy has been developed and regular staff briefings commenced on 28 September 2022, providing staff with useful information and furthermore details of what anti-fraud tools are available to them.
- 12.3 The Anti-Fraud & Anti-Corruption Policy and the Anti-Money Laundering Policy were reviewed during 2023/24 and formally approved through Cabinet and have been adopted. A staff briefing has been issued on to ensure staff are aware of the update and where they can find the policies.
- 12.4 Work around this remains on the service delivery plans for 2024/25 to continue to develop the anti-fraud & anti-corruption culture across the organisation.

13. Projects/Future pipeline of activities

- 13.1 Following the strategic planning of the internal audit plan 2024/25, a total of 143 days has been allocated to resourcing work relating to anti-fraud and anti-corruption during the 2024/25 financial year within the Internal Audit team. This has been increased as a result of the upcoming changes in legislation with the introduction of the Economic Crime & Corporate Transparency Act. The Act introduces requirements on large organisations (including ourselves) as defined within the Companies Act 2006 and introduces offences around “failure to prevent fraud”.
- 13.2 As a result of the changes in legislation and the recent updates to the Anti-Fraud & Anti-Corruption Policy and the Anti-Money Laundering Policy we are in the process of undertaking a comprehensive Fraud Risk Assessment across all services within the Council. The results will be collated and reviewed to determine an action plan to update the Fraud Risk Register and identify any gaps and to consider mitigation which can be recommended to ensure that “reasonable fraud prevention procedures” are in place across the organisation.
- 13.3 The proposed extension of the legislative data matching powers that NFI uses to permit matching to:
 - Assist in the prevention and detection of crime (other than fraud)

- Assist in the apprehension and prosecution of offenders
- Assist in prevention and detection of errors and inaccuracies
- **Assist in the recovery of debt owing to public bodies.**

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

- 13.4 As part of further work relating to the anti-fraud and anti-corruption culture across the organisation, work will continue to engage with departments and service areas to help provide advice and gateways to access information that can assist them in the prevention of fraud and corruption, such as the promotion of tools and services available to us through the National Fraud Initiative and National Anti-Fraud Network. Training has been provided recently to staff across the Council and across other Norfolk Authorities in the use of the Norfolk FraudHub.
- 13.5 The Senior Internal Auditor continues to be a member of the Cabinet Office's FraudHub user group, assisting with other local authorities in shaping the services and data matching activities provided through the NFI and FraudHub. The Cabinet Office are to feed out new developments and innovative themes nationally to local authorities and other government organisations to help fight fraud and corruption.
- 13.6 Efforts will continue to establish a Financial Investigation provision for the Council. We are currently liaising with Norfolk County Council as the Norfolk FraudHub sponsor looking at a potential retained service model which all members of the Norfolk FraudHub could access when required. We are furthermore going to explore and assess our position as an organisation, in terms of awareness, potential/susceptibility to money laundering and proceeds of crime offences being committed against us (and our LATCs), which is also intended to highlight which areas of the organisation are more likely to need/require training in this area (this is part of the Fraud Risk Assessment currently being carried out).
- 13.7 Financial investigation provisions remain in place for joint working cases with the Department for Work & Pensions, but this will only be available in relation to Council Tax Reduction Scheme investigations that include DWP related benefits.

GLOSSARY OF TERMS

DWP	Department for Work & Pensions	CTAX	Council Tax
NFI	National Fraud Initiative	LATC	Local Authority Trading Company
KPI	Key Performance Indicator	SBG	Small Business Grants
SPD	Council Tax Single Person Discount	Restart	Restart Grants
HMRC	His Majesty's Revenues & Customs	CBLP	Closed Businesses Lockdown Payment
HB	Housing Benefit	LRSG L2	Local Restrictions Support Grant Lockdown 2
CTRS	Council Tax Reduction Scheme	LRSG Tier 4	Local Restrictions Support Grant Tier 4 Restrictions
YTD	Year to Date	LRSG Tier 2	Local Restrictions Support Grant Tier 2 Restrictions
Covid-19	Coronavirus pandemic	LRSG L3 P1	Local Restrictions Support Grant Lockdown 3 Phase 1
BEIS	Department for Business, Energy & Industrial Strategy	LRSG L3 P2	Local Restrictions Support Grant Lockdown 3 Phase 2
EBSS AF	Energy Bills Support Scheme	Wet Led Pubs	Christmas Support Payment Wet Led Pubs Grants
AFP AF	Alternative Fuel Payments	OHLG/ARG	OMICRON Hospitality and Leisure Grant / Additional Restrictions Grant

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 th June 2024		
TITLE:	Audit Committee Effectiveness 2023-24 Report by Audit Committee Chair		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):			
REPORT AUTHOR:	Jamie Hay, Senior Internal Auditor		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
It is good practice for the Audit Committee to present Cabinet with an annual report on the work carried out by the Committee in the preceding year. This report reviews the work of the Audit Committee during the year 2023-24 and considers if the Committee has effectively fulfilled its role.
KEY ISSUES:
The report indicates the training received by the Committee in order to be able to fulfil their governance role, the reports received, and a summary of the points discussed.
OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
That the Audit Committee considers the content of the report and decides if it accurately reflects the work of the Committee in 2023-24. That the Audit Committee confirms their agreement to the Chair taking the report to Cabinet as evidence that the Committee operated effectively.
REASONS FOR RECOMMENDATIONS:
To comply with best practice and to enhance the effectiveness of the Audit Committee.

REPORT DETAIL

1. Introduction

- a. The Audit Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed and updated as part of the review of the scrutiny arrangements in June 2016. Further reviews have been undertaken in September 2017, December 2020, and September 2022.
- b. Under the Accounts and Audit Regulations 2015, a council is required to 'ensure that it has a sound system of internal control which:
 - i. facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - ii. ensures that the financial and operational management of the authority is effective; and
 - iii. includes effective arrangements for the management of risk.'
- c. Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This was provided by the Audit Committee during 2023/24.
- d. In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit Committee is necessary.

2. Responsibilities of the Audit Committee

- a. The main areas of responsibilities of the Audit Committee are outlined within its Terms of Reference:
 - Monitor the Council's responsibilities under the Accounts and Audit Regulations 2015 and approve the Statement of Accounts.
 - Review the Council's assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it.
 - Monitor the Council's compliance with Financial Regulations and Contract Standing Orders and consider any proposals for changes to these.
 - Agree with the external auditor the basis of the annual audit, including the overall level and composition of the fee and the content of performance work.
 - Receive reports by the external auditor, including all performance reports and the Annual Management Letter.
 - Monitor delivery of the internal audit activity, fraud investigation work and Risk Management in the Council.
 - Monitor the response to audit reviews and investigations and the implementation of agreed recommendations.
 - Receive reports by any other inspectorates including all performance reports.
 - Report and/or bring matters to the attention of Council through the Cabinet on issues that require further review or action.
 - Instigate an investigation or review on matters that arise from internal and external audits, where further information is required.

- Receive assurance that there is sound system of internal control and risk management process in place for each of the Councils Local Authority Trading Companies.

3. Review Details

- a. The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. The resulting report and action plan is being considered during the Audit Committee meeting of 24th June 2024. In addition, information has been compiled on the reports considered by the Committee and attached as **Appendix 2**.

4. Items considered during 2023/24

- a. Throughout the 2023/24 (municipal year) the Audit Committee held 6 meetings and received a total of 25 reports on a number of issues, including:

Internal Audit and Fraud

- Internal Audit Progress Report (2022/23)
- Internal Audit Follow Up Recommendations Report (August 2023)
- Year End Audit Opinion (2022/23)
- Annual Fraud Progress Update (2022/23)
- Internal Audit Half Year Progress Report (2023/24)
- Fraud and Error Half Year Progress Report (2023/24)
- Internal Audit Follow up Recommendations Half Year Report (2023/24)
- Verbal Update on Internal Audit Plan (2023/24)
- Strategic and Annual Internal Audit Plan 2024/25 to 2026/27

External Audit

- 2019/20 Audit Results Report – ISA 260
- Statement of Accounts for 2019/20
- External Audit Plan – 2023/24

Finance

- Update on Audit of Accounts Progress (September 2023)
- Annual Treasury Outturn Report (2022/23)
- Treasury Management Quarterly Monitoring Report Q1 (2023/24)
- Budget Monitoring Report (June 2023)
- Treasury Management Quarter 2 Report (2023/24)
- Budget Monitoring Report Quarter 2 (2023/24)
- Treasury Management Quarter 3 Report (2023/24)
- Budget Monitoring Quarter 3 Report (2023/24)

Corporate Governance and Risk

- Corporate Risk Register Update (May 2023)
- Annual Governance Statement 2019/20
- Corporate Risk Register Update (August 2023)

- Business Continuity – Annual Update
 - b. A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as Appendix 2.
 - c. A Member Induction and Training Programme was put into place for all elected members following the local government elections in May 2023. In addition to this induction programme the members of the Audit Committee received 5 training sessions during the year on:
 - 17th July 2023 – Audit Committee Member Training
 - 7th September 2023 – Treasury Management & Budget Monitoring Training
 - 17th November 2023 – Corporate Risk Register
 - 9th January 2024 – All Cllr & Board Member Training on Council Companies
 - 11th January 2024 – Members Training: Statement of Accounts 2019/20
 - d. Audit Committee members were also provided with the following guides to assist them during the year:
 - 21st July 2023 – Audit Committee Guide to Internal Audits
 - 21st July 2023 – Fraud Awareness for Audit Committee

5. Conclusion

- a. During 2023/24 the Audit Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result, it is continuing to perform effectively, and the Council is meeting its requirements under the Accounts and Audit Regulations 2015.

6. Background Papers

Accounts and Audit Regulations 2015.

CIPFA Audit Committees Practical Guidance for Local Authorities 2022 edition.

APPENDIX 1 – Results of Self-Assessment Exercise

Good Practice Questions		Does not comply	Partially complies and extent of improvement needed*			Fully complies
			Major improvement	Significant improvement	Moderate improvement	
Weighting of answers		0	1	2	3	5
Audit committee purpose and governance						
1	Does the authority have a dedicated audit committee that is not combined with other functions (e.g., standards, ethics, scrutiny)?					5
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?				3 - Need to confirm reporting line	
3	Has the committee maintained its advisory role by not taking on any decision-making powers?				3 - Approve Financial Statements	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					5 – check covers what CIPFA says
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				3	
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7	Does the governing body hold the audit committee to account for its performance at least annually?				3 - through Annual	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
					Report	
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:					
	<ul style="list-style-type: none"> Compliance with the CIPFA Position Statement 2022 				3 – need to check contents cover these points	
	<ul style="list-style-type: none"> Results of the annual evaluation, development work undertaken and planned improvements 				3 – as above	
	<ul style="list-style-type: none"> How it has fulfilled its terms of reference and the key issues escalated in the year? 				3 – as above	
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
	Governance arrangements				3	
	Risk management arrangements				3	
	Internal control arrangements, including: <ul style="list-style-type: none"> Financial management Value for money Ethics and standards 				3	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
	<ul style="list-style-type: none"> Counter fraud and corruption 					
	Annual governance statement				3	
	Financial reporting				3	
	Assurance framework				3	
	Internal audit				3	
	External audit				3	
10	Over the last year, has adequate consideration been given to all core areas?				3 – not sure on VFM	
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?				3	
12	Has the committee met privately with the external auditors and head of internal audit in the last year?		1			
Membership and support						
13	Has the committee been established in accordance with the 2022 guidance as follows?					
	<ul style="list-style-type: none"> Separation from executive 					5
	<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 				3 – is over 8 and uses substitutes	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers		0	1	2	3	5
	<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 			2 – has been agreed to do		
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?				3 – some members have relevant skills	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?				3	
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					5
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				3	
18	Is adequate secretariat and administrative support provided to the committee?					5
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or			2		

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
	relying on its work?					
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22	Are meetings effective with a good level of discussion and engagement from all the members?					5
23	Has the committee maintained a non-political approach to discussions throughout?					5
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?				3	
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5
26	Do audit committee recommendations have traction with those in leadership roles?					5
27	Has the committee evaluated whether and how it is adding value to the organisation?				3 – do 2 nd CIPFA SA next year	
28	Does the committee have an action plan to improve any areas of weakness?				3 – do as a result of this SA	
29	Has this assessment been undertaken collaboratively with				3 - some	

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
			Major improvement	Significant improvement	Moderate improvement	
		0	1	2	3	5
	Weighting of answers					
	the audit committee members?				members missing	
	Total score					142
Maximum possible score						200

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

APPENDIX 2 – Reports Considered by Audit Committee during 2023/24

Date of Meeting	Details	Outcome/Recommendation
7 th August 2023		

<p>A98: Corporate Risk Register Update (May 2023)</p>	<p>The Corporate Performance Manager provided a brief overview of the Council's risk management framework and approach. In presenting the report it was explained that the Corporate Risk Register reflected the significant risks and the delivery of the Corporate Business Plan. The Committee was informed that the Corporate Risk Register was reviewed on a 4 monthly cycle. The latest version was reviewed in May 2023. The Corporate Performance Manager advised that during August 2023 a full review would be undertaken by the Senior Management Team. It was noted that the new Corporate Business Plan would be finalised in late Autumn 2023 and at the same time an in-depth review of the Corporate Risk Register would be undertaken. The Committee's attention was drawn to the appendices attached to the report which had been developed over a few years. The current Committee may wish to revise these to accommodate their requirements.</p>	<p>RESOLVED: The Committee considered the Corporate Risk Register as at May 2023 and confirm agreement with Management Team's assessment of the risks to the corporate business plan.</p>
<p>A99: Year End Internal Audit Opinion</p>	<p>The Committee's attention was drawn to Section 2.2 of the report and explained that the overall opinion in relation to the framework of governance, risk management and control at the Borough Council was reasonable which was a positive message. It was highlighted that one audit on Procurement and Contract Management had resulted in a Limited assurance grade. Five audits had received the high assurance grading of Substantial. The Internal Audit Manager provided an overview of the work undertaken by the Internal Audit Team as set out in section 3.3 and the Follow up management actions set out in section 3.4 and Issues for inclusion in the Annual Governance Statement set out at section 3.5 of the report.</p>	<p>RESOLVED: The Audit Committee received and approved the Annual Internal Audit Opinion report 2022/23.</p>
<p>A100: Internal Audit Progress Report</p>	<p>The report provided an Executive Summary which covered the period 11 November 2022 to 24 July 2023 and provided the opportunity to illustrate the work undertaken and to highlight the significant risks. A further reported would be presented to the Committee at the November 2023 meeting.</p>	<p>RESOLVED: The Audit Committee received the Progress Report on Internal Audit Activity.</p>

<p>A101: Internal Audit Follow Up Recommendations Report</p>	<p>The Internal Audit Manager explained that the report sought to provide an update on the status of all internal audit recommendations highlighting management responses where any were over the agreed deadline for completion and not yet implemented. The Internal Audit Manager explained that this was a new report for the Committee and explained that before a report was presented on high level audit recommendations not completed, but not to this degree and that the report represented an improvement and enhancement of the process. The Audit Committee now saw everything that was significant and open at the Council. It was explained that where Internal Audit had started to list the recommendations, there was a higher number and was now pleased to report that 83 had been closed since the process started which represented a good improvement but needed to keep the pressure on to reduce the number further.</p>	<p>RESOLVED: The Audit Committee received the Internal Audit Follow Up of Outstanding Recommendations report.</p>
<p>A102: Annual Fraud Progress Update 2022/2023</p>	<p>The Senior Internal Audit explained that the report was aimed to provide the following in respect of the period April 2022 to March 2023 for areas such as Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arose:</p> <ul style="list-style-type: none"> • Progress towards the Anti-Fraud and Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department. • Statistical information in respect of fraud and error detection for applications and claims received by the Council deemed to have been false, incorrect, or where a relevant change in circumstances has failed to be declared resulting in a financial gain or where an error has been identified and amended. • Statistical information in respect of traced debts where the Internal Audit Team have been contacted for assistance. • Statistical information in respect of fraud and error detection for grants retrospectively identified as having been paid to customers/businesses who were not eligible. 	<p>RESOLVED: The Committee noted the update of the anti-fraud and anti-corruption work</p>

	<ul style="list-style-type: none"> • Statistical information in respect of data matching activities undertaken through the National Fraud Initiative (NFI) and Norfolk Fraud Hub. • A look forward to 2023/24 anti-fraud and anti-corruption related activities. 	
A108 Annual Certification Report- Housing Benefit Subsidy Claim for 2020/2021	The Revenues and Benefits Manager presented the report and responded to questions and comments from the Committee.	RESOLVED: The Audit Committee noted the contents of the report.

18th September 2023		
A115 Update on Audit of Accounts Progress	<p>The Assistant Director, Resources presented the report which updated the Committee on the External Audit of the Borough Council's Statement of Account and provided an update on proposals under consideration by the Government for Levelling-up, Housing and Communities (DLUHC) to clear the audit backlog of work. The Committee was advised that the Council found itself in a position where the audit of its accounts had not been completed since 2019/2020. It was noted that a report by the National Audit Office published in January 2023, report that at 30 November 2022 there were 45 audits outstanding from 2019/2020.</p> <p>The Committee's attention was drawn to the following sections of the report:</p> <ul style="list-style-type: none"> • 2 – The Accounts and Audit (Amendment) Regulations 2021. • 3 – Update from DLUHC – July 2023. • 4 – Statement of Accounts 2019/2020 and Subsequent Years Update. • 5 – Financial Implications 	RESOLVED: The Committee noted the contents of the report
A116 Annual Treasury Outturn Report 2022/2023	The Financial Services Manager explained that the Annual Treasury Outturn Report looked backwards at 2022/2023 and covered:	RESOLVED: The Audit Committee noted the annual treasury outturn position for 2022/2023.

	<ul style="list-style-type: none"> • The 2022/2023 Treasury Outturn. • Compliance with Treasury Limits. • Outturn Summary. The Financial Services Manager drew the Committee's attention to the following sections of the report: • 2.1: Executive Summary • 4.2: Capital Expenditure • 5.6: Council's Capital Spend – Revenue. • 5.7: Capital Finance Requirement. • 5.8: The Authorised Limit. • 6.4: Investments. <p>The Committee was informed that the following additional supporting information was attached to the report:</p> <ul style="list-style-type: none"> • Appendix 1 – Economic Outlook. • Appendix 2 – Investments as at 31 March 2023. • Appendix 3 – Borrowing as at 31 March 2023. • Appendix 4 – Prudential Indicators 	
<p>A117 Treasury Management Quarterly Monitory Report Q1 2023/2024</p>	<p>The Financial Services Manager explained that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) and remained fully compliant with its requirements. One of the primary requirements of the Code was receipt by Council of a quarterly Review Report.</p> <p>The Committee was informed that the Quarterly Review Report had been prepared in compliance with CIPFA's Code of Practice, and covered the following:</p> <ul style="list-style-type: none"> • A review of the Treasury Management Strategy. • The Council's capital expenditure (prudential indicators). • An economic update for the first three months of 2023/2024. <p>The following additional supporting information was attached to the report as set out below:</p> <ul style="list-style-type: none"> • Appendix 1 – Economic Update. 	<p>RESOLVED: The Audit Committee is asked to note the report and the treasury activity</p>

	<ul style="list-style-type: none"> • Appendix 2 – Interest Rate forecasts. 346 • Appendix 3 – Prudential and Treasury Indicators for 2023/2024. • Appendix 4 – Investment Portfolio. • Appendix 5 – Approved countries for investment. 	
A118 Budget Monitory Report June 2023	<p>The Financial Services Manager presented the Budget Monitoring Report – 30 June 2023 and drew attention to the following sections:</p> <ul style="list-style-type: none"> • Summary. • Revenue Budget 2023/2024. • Capital. • Reserves. • Age Debt Analysis. <ul style="list-style-type: none"> • Council Tax and Business Rates. • Treasury Management 2023/2024. • Conclusion. <ul style="list-style-type: none"> • Appendix A – Budget Monitoring Variances June 2023. • Appendix B – Capital Programme 2022/2027. • Appendix C – Age Debt Analysis, 30 June 2023. 	RESOLVED: The Audit Committee noted the contents of the Budget Monitoring Report June 2023.

27th November 2023		
A128 Internal Audit Half Year Progress Report	<p>The Senior Internal Auditor presented the report and reminded the Committee that it received updates on progress made against the Annual Internal Audit Plan. The report formed part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.</p> <p>The Committee's attention was drawn to the following section of the report:</p> <ul style="list-style-type: none"> • Key Issues. <ul style="list-style-type: none"> • Significant changes to the approved Internal Audit Plan. • Progress made in delivering the agreed audit work. • The outcome arising from Internal Audit's work. 	RESOLVED: The Committee received the Progress Report on Internal Audit Activity.

	<ul style="list-style-type: none"> • Appendix 1 – Progress in completing the Agreed Audit Work. • Appendix 2 – Executive Summaries 2023/2024. 	
A129 2023/2024 Fraud and Error Half Year Progress Report	<p>The Senior Internal Auditor explained that the report was aimed to provide the following in respect of the period April 2023 to September 2023 for areas such as Council Tax, Council Tax Reduction Scheme, Business Rates, Housing Waiting List, Duplicate invoices, False payments, Debtor Tracing activities and Internal Fraud where it arises:</p> <ul style="list-style-type: none"> • Progress towards the Anti-Fraud and Anti-Corruption Key Performance Indicators assigned to the Internal Audit Department. • Statistical information in respect of fraud and error detection for applications and claims received by the Council deemed to have been false, incorrect, or where a relevant change in circumstances has failed to be declared resulting in a financial gain or where an error has been identified and amended. • Statistical information in respect of traced debts where the Internal Audit Team have been contacted for assistance. • Statistical information in respect of fraud and error detection for grants retrospectively identified as having been paid to customers/businesses who were not eligible. • Statistical information in respect of data matching activities undertaken through the National Fraud Initiative (NFI) and Norfolk Fraud Hub. • A look forward for the remainder of the financial year's anti-fraud and anti-corruption related activities. 	RESOLVED: The Committee noted the update of the ant-fraud and anti-corruption work.
A130 Treasury Management Quarter 2 Report 2023/2024	<p>The Financial Services Manager presented the report and reminded the Committee that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) that remained fully compliant with its requirements. One of the primary requirements of the Code was receipt by Council of a quarterly Review Report.</p>	RESOLVED: The Committee noted the report and the treasury activity.

<p>A131 Budget Monitoring Report 2023/2024-September 2023 Quarter 2</p>	<p>The Financial Services Manager presented the Budget Monitoring Report for Quarter 2 and drew the Committee’s attention to the following sections of the report:</p> <ul style="list-style-type: none"> • Summary. • Revenue Budget 2023/2024. • Turnover Savings. • Opportunities/Risks. • Grants. • Capital Budget and Spend 2023/2024. <ul style="list-style-type: none"> • Reserves. • Age Debt Analysis. <ul style="list-style-type: none"> • Council Tax and Business Rates. • Treasury Management 2023/2024. • Prudential Indicators. • Loans. • Investments as of 30 September 2023. • Conclusion. <p>The Financial Services Manager highlighted the following sections of the report as set out below:</p> <ul style="list-style-type: none"> • Table at page 71 which set out the contribution from General Fund Reserves – the original budget was £2,641,520 and the forecast at 30 September 2023 was £3,145, 260 and a variance of £503,749 was reported. The Financial Services outlined the reasons why a variance was being reported. • Capital Programme original budget £67m, the spend as at 30 September 2023 £12.7m and a revised capital programme of £36m. • Sect 2.4 Risk and Opportunities. <ul style="list-style-type: none"> • Appendix A – Budget Monitoring Variances 30 September 2023. • Appendix B – Capital Programme. • Appendix C – Age Debt Analysis 30 September 2023 	<p>RESOLVED: The Committee noted the contents of the Budget Monitoring Report of 30 September 2023.</p>
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16th January 2024		
A141 2019/2020 Audit Results Report- ISA 260	<p>Audit Manager, Ernst and Young presented the report and drew attention to the key findings and outlined the reasons for the delay in the 2019/2020 audit, the number of hours required to undertake the audit and fee implications. A summary of the key findings are set out below:</p> <ul style="list-style-type: none"> • Page 5: Materiality – Council as a single entity £1.845m final and Council Group £1.923 m final. • Page 6: Closing procedures and signing off of 2019/2020 Statement of Accounts scheduled for 22 January 2024 and issue a certificate. • Pages 7 to 9: Unadjusted differences, Adjusted differences, Disclosure differences. • Page 12: Control observations, recommendations set out on pages 44 and 45. 	RESOLVED: The Committee noted the 2019/3030 Audit Results Report – ISA 260.
A142 Statement of Accounts for 2019/2020	<p>The Committee's attention was drawn to the Core Financial Statement as set out below:</p> <ul style="list-style-type: none"> • Income and Expenditure Account – deficit of £5.7m after pension payment and Internal Drainage Board levies. • Movement – usable and unusable reserves. • Council's net worth. • Administrative process to sign off the 2019/202 Statement of Accounts. • Auditor's final validation process – it was anticipated that no further significant changes would be required. 	RESOLVED: That Members of the Audit Committee: 1) Approved the attached 2019/2020 Statement of Accounts. 2) Delegate authority to the Council's Section 151 officer and the Council's Chair of Audit Committee to sign-off the final and complete Statement of Accounts. 3) Noted the "Letter of Representation."
A143 Annual Governance Statement 2019/2020	<p>The Corporate Performance Manager presented the report which brought the Council's final version of the Annual Governance Statement (AGS) 2020 to the Committee for approval. The draft AGS had previously been considered at the Committee's meeting on 17 December 2020 and 26 July 2021.</p> <p>The Committee was reminded that the preparation and publication of the AGS was a statutory requirement. The document was a public statement that described and evaluated the Council's</p>	RESOLVED: The Committee: 1) Confirmed that the Annual Governance Statement 2020 (as attached) properly reflected the risk environment and the actions required to improve it are in hand. 2) Approve the Annual Governance Statement 2020 (as

	overall governance arrangements, how it had complied with its Code of Corporate Governance during a particular financial year.	attached) and confirm that the Chair of the Audit Committee should sign accordingly.
A144 Corporate Risk Register Update (August 2023)	<p>The Corporate Performance Manager presented the report which presented an updated version of the register as at August 2023. It gave details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects. The Committee's attention was drawn to the key issues set out in the report.</p> <p>The Corporate Performance Manager explained that there were many external factors which influenced risk and which still remained.</p> <p>The Corporate Performance Manager advised there were no proposals to revise the score for any of the risks, add or remove risks</p>	RESOLVED: The Committee considered the Corporate Risk Register as at August 2023 and confirmed agreement with Management Team's assessment
A145 Business Continuity-Annual Update	<p>The Senior Corporate Governance and Risk Officer/Climate Change Manager presented the report which outlined the current position of the Council's business continuity arrangements, summarised progress made since the last update on 26 September 2022 and described work that was planned to be undertaken over the coming months.</p> <p>The Committee's attention was drawn to the following sections of the report:</p> <ul style="list-style-type: none"> • Current position. • Progress since last report in September 2022. • Forward Work Plan 	RESOLVED: The Audit Committee reviewed progress made and endorsed the approach being taken to the Council's business continuity arrangements.
A146 Internal Audit Follow up recommendation's half year report	<p>The Senior Internal Auditor presented the report which sought to provide an update on the status of all internal audit recommendations, highlighting management responses where any are over the agreed deadline for completion.</p> <p>Members were advised that unfortunately, there had been slow</p>	RESOLVED: The Audit Committee received the Internal Audit Follow Up of Outstanding Recommendations report.

	<p>progress demonstrated with a total of 26 recommendations being closed since the last report. It was noted that the report contained an error where it stated, “there were some recommendations for which updated had not been received”, following follow up activities concluding a response was received for all outstanding recommendations. The report now contained a total of 59 outstanding Internal Audit recommendations (4 high, 26 medium and 29 low). A further 52 recommendations were not yet due for implementation. This had increased since the last report in May 2023 where 52 recommendations were outstanding and 36 were not yet due.</p>	
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11th March 2024		
<p>A156 Treasury Management Quarter 3 Report 2023/2024</p>	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	<p>RESOLVED: The Audit Committee noted the report and the treasury activity.</p>

<p>A157 Budget Monitoring Report- Quarter 3- 2023/2024</p>	<p>It was explained that the quarterly report had been prepared in compliance with CIPFAs Code of Practice on Treasury Management, and covered the following:</p> <ul style="list-style-type: none"> • 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 	<p>RESOLVED: The Audit Committee noted the Budget Monitoring Report, Quarter 3, 2023/2024.</p>
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22 nd April 2024		
<p>A167 External Audit plan- 2023/2024</p>	<p>The report outlined the external auditors risk assessment, audit approach and scope of the audit for 2023/24. The report specified reporting criteria as part of the audit plan as, financial sustainability, governance and improving economy, efficiency, and effectiveness</p>	<p>RESOLVED: The Committee noted the update.</p>
<p>A168 Update on Internal Audit Plan</p>	<p>The Committee received an update from the Senior Internal Auditor as follows;</p> <ul style="list-style-type: none"> • Over the past year provide assurance to senior management and elected members • 17 Successful Audit completed. These audits covered a range of areas, including financial controls, compliance with regulations, and operational efficiency. • 2 Outstanding Audits- Local Council Tax Support/ Housing Benefit and Council Tax/Non-Domestic Rates • Overall assurance opinion provided- 2 substantial assurance, 9 reasonable assurance and 3 limited assurances and 3 Position Statements. 	<p>RESOLVED: The Committee noted the update</p>

	<ul style="list-style-type: none"> • One significant achievement has been assurance regarding the mitigation of risks to the council and local authority trading companies objectives. • Identified 102 actionable recommendations to mitigate these risks - 10 high, 31 medium and 61 low and a further 13 Suggested Actions within Position Statements • All 7 audits carried forward from 2022/23 annual plan were concluded by 24/07/23. • 7,312 investigations were completed exceeding the KPI target of 5,000 (an achievement of 146%) for fraud and corruption. • Due to an increase in the number of matches received in year 3,836 cases were carried forward into the 2024/25 financial year. • Identified Fraud & Error Totalled = £323,145.77 • Traced Debtors/Absconders Totalled = £145,413.94. • Overall = £468,559.71 • Looking ahead we are committed to concluding the remaining audits of the 2023/24 plan prior to the full progress report presented in June. Work has also commenced on all Quarter 1 audits of the 2024/25 Annual Internal Audit Plan which is being presented shortly. • The Senior Internal Auditor thanked responsible officers, senior leadership and the Audit Committee for their ongoing support and guidance. 	
<p>A169 Strategic and Annual Internal Audit Plan</p>	<p>The report included the Internal Audit Charter which defined the authority's purpose, roles, and responsibilities The Head of Internal Audit highlighted to the committee of the relevant changes which were title changes only. The Internal Audit Strategy detailed the resources and approach of the audit. It also included the three-year strategic internal audit plan and annual plan as well as an assurance map for the top 5 risks as at 2023/24 which had not been updated this year. Further work was required to produce</p>	<p>RESOLVED: The Committee approves recommendations as set out below:</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

	more detailed maps on corporate risks. It signified there was a total of 307 Audit days, 23 audits and time for follow up included in the plan.	2026/27 d) The Annual Internal Audit Plan for 2024/25.
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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	Risk Register Update		G Greaves	To report progress and update on the Risk Register.
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	Annual	J Stanton	To receive the annual report.

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
	Benefit Subsidy Claim – Annual Certification Report			
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.
23 September 2024	Budget Monitoring Report		C Holland	
23 September 2024	Treasury Management Outturn		C Holland	
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			
18 th November 2024	External Auditors- Ernst and Young		D Riglar	To provide progress and update on External Audit 2023-2024
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	Internal Audit- Global Audit Standards and Training		T Sharman	Update on new global audit standard and CIPFA document for public sector
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

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

Council Owned Companies- following shareholders meeting, to consider if further discussion needs by the Committee.

Control of Climate Change Activities- risk of strategy and to discuss with Corporate Performance Panel

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