



**GREAT YARMOUTH**  
BOROUGH COUNCIL

# Audit and Risk Committee

**Date:** Monday, 06 March 2023

**Time:** 10:00

**Venue:** Council Chamber

**Address:** Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

## AGENDA

Open to Public and Press

### 1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

### 2 **DECLARATIONS OF INTEREST**

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

- 3     **MINUTES**     3 - 6
- To confirm the minutes of the meeting held on the 23 January 2023.
- 4     **MATTERS ARISING**
- To consider any matters arising from the above minutes.
- 5     **STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2023-24**     7 - 36
- Report attached.
- 6     **COMMITTEE SELF ASSESSMENT 2022/23**
- To be discussed at the meeting.
- 7     **STATEMENT OF ACCOUNTS**
- Update to be given at the meeting.
- 8     **WORK PROGRAMME**     37 - 37
- Report attached.
- 9     **ANY OTHER BUSINESS**
- To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.
- 10    **EXCLUSION OF PUBLIC**
- In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-
- "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."



**GREAT YARMOUTH**  
BOROUGH COUNCIL

# **Audit and Risk Committee**

## **Minutes**

Monday, 23 January 2023 at 10:00

### **PRESENT**

Councillor Grant (in the Chair); Councillors Freeman, Galer, Wainwright & T Wright.

Ms K Sly (Finance Director), Ms F Haywood (Head of Internal Audit), Mr C Furlong (Director of Housing Assets), Mrs C Webb (Democratic Services Officer) & Mrs A Krout (Democratic Services Officer).

### **1 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest declared at the meeting.

### **3 MINUTES**

The minutes of the meeting held on 31 October 2022 were confirmed.

#### **4 MATTERS ARISING**

The Chairman reported that there were no matters arising from the above minutes which were not covered elsewhere on the agenda.

#### **5 INTERNAL AUDIT UPDATE PROGRESS AND FOLLOW-UP REPORT 2022-23**

The Committee received and considered the report from the Head of Internal Audit.

The Head of Internal Audit reported progress made between 25 October 2022 to 17 January 2023 in relation to the delivery of the revised Annual Internal Audit Plan for 2022/23.

Councillor Wainwright asked whether the report would be made public and was advised by the Head of Internal Audit that it could if the GYN board were informed of the references to the GYN reports contained within and the public interest test was met.

Councillor Wainwright asked for clarification regarding GY2022 - Housing Compliance. The Director of Housing Assets advised that housing stock would be fully compliant by May. The Chair asked whether this included fire doors. The Director of Housing Assets explained that there was a new database in place covering gas, electricity and fire systems to ensure that all the required data was in one place. The Head of Internal Audit advised that a housing compliance audit would be added to next year's audit plan and be reviewed on a regular basis.

Councillor Wainwright sought further clarification regarding GY 2313 - Elections, specifically the introduction of Voter ID, as he was concerned that many residents had none. The Head of Internal Audit advised that a proactive communications plan would be implemented, including liaising with Doctors' surgeries. Councillor Wainwright raised concerns that the new legislation would have an undue burden on the Elections Team and asked whether the Council were using the Funding New Burdens resource to recruit more staff.

**RESOLVED:-**

That the Committee:

(1) noted the progress update relating to the Internal Audit Plan for 2021/22 & 2022/23

(2) noted the update on the Council's implementation of internal audit recommendations.

#### **6 DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22 ACTION PLAN UPDATE**

The Committee received and considered the report from the Finance Director.

RESOLVED:-

That the Committee note the actions taken to address the issues identified.

## **7 CORPORATE RISK REGISTER**

The Committee received and considered the report from the Finance Director.

The Corporate Risk Officer reported that the Corporate Risk Register was last reviewed by the Management Team in December 2022.

The risk matrix showed how the risks identified in the Corporate Risk Register were distributed. There were currently 28 risks included on the Corporate Risk Register. The risks considered to be outside the Councils risk appetite had action plans in place to mitigate or reduce the risk. The risks that fell within the risk appetite or were deemed acceptable risks, have action plans in place to reduce the risk further.

Since presenting the Corporate Risk Register to the Audit and Risk Committee in July 2022 there had been three risks added to the register:-

10b - Business Continuity - National Power Outages

10c - Business Continuity - Rolling Power Outages

28 - Confidential Risk

The risk rating for three risks had reduced due to the implementation of the action plan and further control measures in place:-

11 - Management of Major Projects

12b - Workforce Capacity

23 - Emergence of new strain of Covid

The risk rating for one risk has increased:-

5b - Impact of inflation rise.

Councillor Wainwright asked whether the risk matrix in the Corporate Risk Register took into consideration the rate of inflation and was advised by the Finance Director that all projects were being looked at with regard to budget.

Councillor Wainwright raised concerns regarding financial stability and whether the Marina Centre would be able to make the repayments to the Council in view of current energy costs, especially as energy help from Central Government was being removed at the end of March.

Councillor Galer voiced concerns that with regard to power outages, the risks may be higher than expected, as in the past there were reductions in voltage, not total cut-offs. He queried what the effect of a power cut in one part of the county would have on another part of the county, especially as some Council IT systems were supplied by County.

Councillor Wright queried the risk factor of event management and asked about insurance cover for events. The Finance Director advised that insurance cover was reviewed every year and in the event of it not covering a shortfall, the Council would have to look at using its reserves. The Chair advised that if an event was deemed too risky, it would not take place.

RESOLVED:-

That the Committee review and note the Corporate Risk Register.

## **8 WORK PROGRAMME**

The Committee received and considered the Work Programme.

The Finance Director advised that there were still some areas outstanding on the 2020/21 Statement of accounts audit, the External Audit Senior Manager had left EY and there was to be a handover. The Audit plan would be updated as applicable.

RESOLVED:-

That the Committee note the work programme.

## **9 ANY OTHER BUSINESS**

The Chairman reported that there was no other business being of sufficient urgency to warrant consideration at the meeting.

The meeting ended at: TBC

Subject: Strategic and Annual Internal Audit Plans 2023/24

Report to: Audit and Risk Committee 6 March 2023

Report by: Faye Haywood, Head of Internal Audit for Gt Yarmouth Borough Council

## **SUBJECT MATTER/RECOMMENDATIONS**

This report provides an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2023/24 to 2026/27 and the Annual Internal Audit Plan for 2023/24.

The Annual Internal Audit Plan will then serve as the work programme for the Council's Internal Audit Services Contractor; TIAA Ltd.

It will also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of Great Yarmouth Borough Council's framework of governance, risk management and control.

### **1. INTRODUCTION / BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 require that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".
- 1.2 Those standards are set out in the Public Sector Internal Audit Standards (PSIAS) which came into effect in April 2013.

### **2. INTERNAL AUDIT PLAN OF WORK**

- 2.1 The attached report contains:
  - The Internal Audit Charter, detailing Internal Audit's purpose, authority and responsibilities;
  - the Internal Audit Strategy, which is a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities;
  - the Strategic Internal Audit Plan, which details the plan of work for the next four financial years; and
  - the Annual Internal Audit Plan, which details the timing and the purpose of each audit agreed for inclusion in 2023/24.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Internal Audit Service is provided by way of a Partnership Agreement with South Norfolk Council, whereby South Norfolk Council provide the role of the Head of Internal Audit and Contract Manager to Great Yarmouth Borough Council, and the service provision i.e. delivery of the audits, is provided through a contract with TIAA Ltd.

#### 4. **RISK IMPLICATIONS**

- 4.1 The Risk Based Internal Audit approach will ensure that the Council's key risks are accurately reviewed and updated and thus the Internal Audit Service is adding value and auditing the key risk areas.

#### 5. **CONCLUSIONS**

- 5.1 The attached report provides the Council with Internal Audit Plans that will ensure key business risks will be addressed by Internal Audit, thus ensuring that appropriate controls are in place to mitigate such risks and also ensure that the appropriate and proportionate level of action is taken.

#### 6. **RECOMMENDATIONS**

- 6.1 That Audit and Risk Committee notes and approves:
- a) the Internal Audit Charter;
  - b) the Internal Audit Strategy;
  - c) the Strategic Internal Audit Plans 2023/24 to 2026/27; and
  - d) the Annual Internal Audit Plan 2023/24.

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	Through EMT
Section 151 Officer Consultation:	Through meetings
Existing Council Policies:	N/a
Financial Implications:	Within the report
Legal Implications (including human rights):	N/a
Risk Implications:	Within the report
Equality Issues/EQIA assessment:	n/a
Crime & Disorder:	n/a
Every Child Matters:	n/a



# Eastern Internal Audit Services



## GT YARMOUTH BOROUGH COUNCIL

### Strategic and Annual Internal Audit Plans 2023/24

Responsible Officer: Head of Internal Audit for Great Yarmouth Borough Council

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## 1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) mandate a periodic preparation of a risk-based plan, which must incorporate or be linked to a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities, this is set out in the Internal Audit Strategy.
- 1.4 The development of a risk-based plan takes into account the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. This is then also applied when carrying out individual risk-based assignments to provide assurance on part of the risk management framework, including the mitigation of individual or groups of risks.
- 1.5 The following factors have been considered when developing the internal audit plan:
  - The risk profile and maturity of the Council;
  - Previous assurance gradings given in each area;
  - Any declarations to avoid conflicts of interest;
  - The requirements of the use of specialists e.g. IT auditors;
  - Striking the right balance over the range of reviews needing to be delivered, for example systems and risk-based reviews, specific key controls testing, value for money and added value reviews;
  - Allowing contingency time to undertake ad-hoc reviews or fraud investigations as necessary;
  - The time required to carry out the audit planning process effectively as well as regular reporting to and attendance at Audit and Risk Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.
- 1.6 In accordance with best practice the Audit and Risk Committee should ‘*review and assess the annual internal audit work plan*’.

## 2. AUDIT CHARTER

- 2.1 There is an obligation under the PSIAS for the Charter to be reviewed by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to the Section 151 Officer, Senior Management and the Audit and Risk Committee for approval annually. The Charter can be found at **Appendix 1**.
- 2.2 As part of the review of the Audit Charter the Code of Ethics are also reviewed by the Head of Internal Audit, and it is ensured that the Internal Audit Services contractor staff, as well as the Head of Internal Audit and Internal Audit Trainee adhere to these, specifically with regard to; integrity, objectivity, confidentiality and competency. Formal sign off to acceptance of the Code of Ethics is retained by Eastern Internal Audit Services.

### **3. INTERNAL AUDIT STRATEGY**

- 3.1 The purpose of the Internal Audit Strategy (**see Appendix 2**) is to confirm:
- How internal audit services will be delivered;
  - How internal audit services will be developed in accordance with the internal audit charter;
  - How internal audit services links to organisational objectives and priorities; and
  - How the internal audit resource requirements have been assessed and how they will be enhanced.

### **4. STRATEGIC INTERNAL AUDIT PLAN**

- 4.1 The overarching objective of the Strategic Internal Audit Plan (**see Appendix 3**) is to provide a comprehensive programme of review work over the next four years, with each year providing sufficient audit coverage to give annual opinions, which can be used to inform the organisation's Annual Governance Statement.
- 4.2 The coverage over the forthcoming four years has been discussed with Executive Leadership Team to ensure audits are undertaken at the right time, at a time where value can be added, as well as ensuring sufficient coverage for an Annual Opinion on the framework of governance, risk management and control.

### **5. ANNUAL INTERNAL AUDIT PLAN**

- 5.1 Having developed the Strategic Internal Audit Plan, the Annual Internal Audit Plan is an extract of this for the forthcoming financial year (**see Appendix 4**). The plan includes the areas being reviewed by Internal Audit, the number of days for each review, the quarter during which the audit will take place and a brief summary and purpose of the review.
- 5.2 The Annual Internal Audit Plan for 2023/24 totals 269 days, encompassing 22 internal audit reviews, two of which cover IT processes.
- 5.3 Audit verification work concerning audit recommendations implemented to improve the Council's internal control environment will also be undertaken throughout the financial year.
- 5.4 Depending on any changes to the control environment over the year, the annual internal audit plan may need to be revised to respond to emerging risks. The Head of Internal Audit will regularly review the Corporate Risk Register and report through to the Committee any necessary changes to the plan of work.

### **6. ASSURANCE MAPPING**

- 6.1 The 2022/23 External Quality Assessment of the Internal Audit function has now concluded, and a report produced demonstrating the service is delivered in conformance with the Public Sector Internal Audit Standards. However, assurance mapping has been highlighted as an area requiring development.
- 6.2 Assurance mapping is an emerging area of internal audit practice which involves mapping a visual representation of assurance activities as they apply to a specific set of risks or compliance requirements facing an organisation.

6.3 This exercise is particularly useful to undertake as part of Internal Audit Planning as it allows the function to determine to what extent it can rely on and co-ordinate its activities with other assurance providers to enhance value and prevent duplication.

6.4 Following discussions with Senior Management, the Internal Audit team have been able to map the types of assurance available for the top four strategic risks facing the Council in each of the three assurance categories listed below.

6.5 **Three lines of defence**

<b>1. The first line of defence (functions that own and manage risks)</b>	<b>2. The second line of defence (functions that oversee or who specialise in compliance or the management of risk)</b>	<b>3. The third line of defence (functions that provide independent assurance)</b>
Assurances in this area are provided by managers and staff who are responsible for identifying and managing risk as part of their accountability for achieving objectives.	Assurances in this area are provided by those that monitor frameworks, enable risk and compliance to be managed in the first line. Second line assurance functions are often involved in monitoring the effectiveness in the first line ensuring risks are managed consistently.	Assurances at this level are typically provided by internal audit. Sitting outside the risk management processes of the first two lines of defence. The main role of this defence line is to provide an evaluation of the effectiveness of the organisations approach to governance, risk management and control.

6.6 The assurance map provided at **Appendix 5** of this report highlights what assurances are available in each of the three lines for the top four scoring strategic risks. This has been used to provide justification to the areas included within the strategic and annual internal audit plans.

## APPENDIX 1 – INTERNAL AUDIT CHARTER



### EASTERN INTERNAL AUDIT SERVICES

#### INTERNAL AUDIT CHARTER FOR 2023/24

#### 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an internal audit charter; this formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The charter also displays formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e. the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to each of the following internal audit consortium members covered by Eastern Internal Audit Services (EIAS).
- Breckland District Council;
  - Broadland District Council;
  - Great Yarmouth Borough Council;
  - North Norfolk District Council;
  - Norwich City Council;
  - South Norfolk Council; and
  - Broads Authority.
- 1.5 The term Local Authority will be used to describe the above consortium members throughout the Charter.

#### 1.6 Mission

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

*“Protecting each of our consortium members ability to enhance value through the provision of independent risk-based assurance and advice”*

#### 1.7 This charter:

- Establishes the position and reporting lines of internal audit;
- Outlines provision for unrestricted access to information, officers, management and members as appropriate;
- Sets the tone for internal audit activities;

- Defines the nature and scope of internal audit services, in particular assurance and consultancy services; and
- Sets out the nature and scope of assurance provided to other parties.

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

## **2 Purpose, Authority and Responsibility**

### **2.1 Purpose**

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

2.1.2 Internal audit will provide reasonable assurance to each member of the Internal Audit Consortium, that necessary arrangements are in place and operating effectively, and to identify risk exposures and areas where improvements can be made.

### **2.2 Authority**

2.2.1 The Accounts and Audit Regulations (England) 2015, states that the relevant body must; *“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”*. The statutory requirement for internal audit is recognised in the Constitution of each Local Authority and the internal auditing standards in this regard are the Public Sector Internal Audit Standards.

### **2.3 Responsibility**

2.3.1 The responsibility for maintaining an adequate and effective internal audit to evaluate risk management, control and governance processes lies with each Local Authority’s Chief Finance Officer (the Section 151 Officer or Section 17 Officer).

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

2.3.3 Internal audit is provided by Eastern Internal Audit Services, with the Chief Audit Executive being responsible for ensuring the internal audit activity is undertaken in accordance with the definition of internal auditing, the code of ethics and the standards for all consortium members.

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

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

3.1 The standards require the terms ‘Chief Audit Executive’, ‘Board’ and ‘Senior Management’ to be defined in the context of the governance arrangements in each public sector organisation

in order to safeguard the independence and objectivity of internal audit. The following interpretations are applied within Eastern Internal Audit Services.

### 3.2 Chief Audit Executive

- 3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Head of Internal Audit role to all consortium members.

At South Norfolk Council, the Chief Audit Executive reports to the Chief of Staff who reports to the Managing Director of South Norfolk and Broadland.

- 3.2.2 The Head of Internal Audit also report functionally to each Section 151 Officer or Section 17 Officer at all other members of the consortium.
- 3.2.3 The Head of Internal Audit has a direct line of reporting and unfettered access to each Chief Executive, the Senior Management Team at each Local Authority and the Chair of the Board at each Local Authority.
- 3.2.4 The delivery of the Annual Audit Plans for all consortium members and any specified ad-hoc assignments is provided by an external contractor, TIAA Ltd from 1 April 2022. The Head of Internal Audit manages this contract.

### 3.3 Board

- 3.3.1 In the context of overseeing the work of Internal Audit at each Local Authority, the 'Board' will be the Audit Committee (or equivalent) of the Local Authority, which has been established as part of the governance arrangements. The Audit Committee's responsibilities are discharged through each of the Local Authority's Constitution's and explicitly referred to in each terms of reference.
- 3.3.2 This functional reporting includes;
- Approving the audit charter, audit strategy and risk based annual plans on an annual basis;
  - Receiving regular reports on the outcomes of internal audit activity and performance;
  - Receiving regular reports on management action in relation to agreed internal audit recommendations;
  - Receiving the Annual Report and Opinion of the Head of Internal Audit, alongside a conclusion as to the effectiveness of internal audit;
  - Overseeing External Assessments of the Internal Audit Service, at least once every 5 years.
- 3.3.3 Internal Audit work closely with the chair and members of the Audit Committee to facilitate and support their activities, part of which includes facilitating a self- assessment and providing training.

### 3.4 Senior Management

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

- 3.4.2 The Internal Audit Manager meets regularly with the Section 151 Officer or Section 17 Officer to ensure organisational awareness is maintained, to discuss progress with the agreed Internal Audit Plan and to maintain a good working relationship. These arrangements facilitate discussions in relation to the current and emerging risks and issues to ensure that the internal audit plan of work remains reflective and responds as required.

### 3.5 External Audit

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

### 3.6 Other Internal Audit Service Providers

- 3.6.1 Where appropriate internal audit will liaise with other internal audit providers, where shared arrangements exist. In such cases, a dialogue will be opened with the Chief Audit Executive to agree a way forward regarding the auditing of such shared services. This is to ensure an efficient and effective approach, and enable reliance on each other's outcomes. Where formal arrangements are entered into, a protocol will be determined and agreed by both Chief Audit Executives.
- 3.6.2 Internal audit will also co-operate with all external review and inspection bodies that are authorised to access and evaluate the activities of the Local Authority, to determine compliance with regulations and standards. Assurances arising from this work will be taken into account where applicable.

## **4 Rights of Access**

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

## **5 Objective and Scope**

- 5.1 The provision of assurance services is the primary role of Eastern Internal Audit Services, thus allowing the Head of Internal Audit to provide an annual audit opinion on the adequacy and effectiveness of the Local Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.
- 5.2 Internal audit will also provide consultancy services, at the request of management. These reviews are advisory in nature and generally performed to facilitate improved governance, risk management and control. This work may contribute to the annual audit opinion.
- 5.3 Whichever role / remit is carried out by internal audit the scope is to be determined by internal audit, through discussions with senior management, however this scope will not be unduly bias nor shall it be restricted.
- 5.4 A risk based Strategic Internal Audit Plan will be developed each year to determine an appropriate level of risk based audit coverage required to generate an annual audit opinion.



The plan will be derived from risk assessments, discussions with Senior Management and Audit Committee taking prior year's assurance results into account.

- 5.5 Each audit review will be designed to provide evidence based assurance over the management of risk and controls within that area. The results of each review will be shared with management so that any required improvements can be actioned to restore satisfactory systems of internal control.
- 5.6 It is management's responsibility to control the risk of fraud and corruption; however internal audit will be alert to such risks in all the work that is undertaken. In addition, the Head of Internal Audit are either responsible for, or is consulted on, related policy and strategy. These include for example; Counter Fraud, Corruption, Anti-Bribery, Whistleblowing, Anti-Money Laundering and includes the related promotion and training for officers and councillors.
- 5.7 Through the contract in place with TIAA Ltd, there are other services that can be provided, these include: fraud investigations, grant certification and digital forensics.

## **6 Independence and Objectivity**

- 6.1 Internal Audit must be sufficiently independent of the activities that are audited to enable an impartial, unbiased and effective professional judgement. All internal auditors working within Eastern Internal Audit Services, annually confirm their adherence the Code of Ethics, which sets out the minimum standards for performance and conduct. The four core principles are integrity, objectivity, confidentiality and competency.
- 6.2 The Internal Audit Team at South Norfolk Council, consisting of the Head of Internal Audit and the Internal Audit Trainee do not have any responsibility or authority over any activities outside of Internal Audit.
- 6.3 As contractors the TIAA Internal auditors have no operational responsibility or authority over any of the activities which they are required to review. They do not engage in any other activity, which would impair their judgement, objectivity or independence.
- 6.4 If the independence or objectivity of the Head of Internal Audit is impaired, or appears to be, the details of the impairment will be disclosed to senior management. The nature of the disclosure will depend upon the impairment.

## **7 Professional Standards**

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

## **8 Internal Audit Resources**

- 8.1 The Head of Internal Audit will be professionally qualified (CMIIA, CCAB or equivalent) and have wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.2 The Head of Internal Audit is supported by the Internal Audit Trainee in ensuring the Internal Audit Service has access through the contract to a team of staff who have the appropriate range of knowledge, skills and experience to deliver the audit service.

## **9 Audit Planning**

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

## **10 Audit Reporting**

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

## **11 Quality Assurance and Improvement Programme**

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

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

### 11.3 Internal Assessment

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

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

11.3.3 The standards also require periodic self-assessment in relation to the effectiveness of internal audit, the detail and outcomes of which are then forwarded to the Section 151 Officer or Section 17 Officer for their independent scrutiny, before the summary of which is provided to the Audit Committee as part of the annual report and opinion. This information enables the Committee to be assured that the internal audit service is operating in accordance with best practice.

### 11.4 External Assessment

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

11.4.2 An external assessment will:

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

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

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

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

## APPENDIX 2 – INTERNAL AUDIT STRATEGY



### EASTERN INTERNAL AUDIT SERVICES

#### INTERNAL AUDIT STRATEGY FOR 2023/24

#### 1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
- how the internal audit service will be delivered;
  - how internal audit services will be developed in accordance with the internal audit charter;
  - how internal audit services links to the organisational objectives and priorities; and
  - how the internal audit resource requirements have been assessed.

The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the standards).

- 1.2 The purpose of the strategy is to define the objectives, function, the approach, resources and processes needed to achieve Internal audit service, providing a clear link between the Charter and the annual plan.
- 1.3 Throughout this strategy the term 'The Authority' or 'Authority' references any member of the Eastern Internal Audit Services Consortium. The term 'Audit Committee' is used throughout to refer to each Authorities Audit Committee or equivalent.

#### 2. How the internal audit service will be delivered

- 2.1 The Role of the Head of Internal Audit and contract management is provided by South Norfolk Council to; Breckland, Broadland, North Norfolk and South Norfolk District Councils, Great Yarmouth Borough Council, Norwich City Council and the Broads Authority. All Authorities are bound by a Partnership Agreement.
- 2.2 The delivery of the internal audit plans for each Authority is provided by an external audit contractor, who reports directly to the Head of Internal Audit at South Norfolk Council. The internal audit work is delivered by an outsourced provider, TIAA Ltd. The contract for this service commenced from 1 April 2022 ending 31 March 2027 with the option to extend for a further term of two plus two.

#### 3. How internal audit services will be developed in accordance with the internal audit charter

##### 3.1 Internal Audit objective and outcomes

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

- 3.1.2 The outcomes of the internal audit service are detailed in the Internal Audit Charter and can be summarised as; delivering a risk-based audit plan in a professional, independent manner, to provide the Authority with an opinion on the level of assurance it can place upon the internal control environment, systems of risk management and corporate governance arrangements, and to make recommendations to improve these provisions, where further development would be beneficial.
- 3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit Committee and the S151/S17 Officer also receive:
- The Audit Plans Report, which is risk based and forms the next financial year's plan of work; and
  - The Annual Report and Opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.
- 3.2 Internal Audit Planning
- 3.2.1 A risk-based internal audit plan (RBIA) is established in consultation with senior management that identifies where assurance and consultancy is required.
- 3.2.2 The audit plan establishes a link between the proposed audit areas and the priorities and risks of the Authority considering:
- Stakeholder expectations, and feedback from senior and operational managers;
  - Objectives set in the strategic plan and business plans;
  - Risk maturity in the organisation to provide an indication of the reliability of risk registers;
  - Management's identification and response to risk, including risk mitigation strategies and levels of residual risk;
  - Legal and regulatory requirements;
  - The audit universe – all of the audits that could be performed; and
  - Previous Internal Audit plans and the results of audit engagements.
- 3.2.3 In order to ensure that the internal audit service adds value to the Authority, assurance should be provided that major business risks are being managed appropriately, along with providing assurance over the system of internal control, risk management and governance processes.
- 3.2.4 Risk based internal audit planning starts with the Authority's Business Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Authority.
- 3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Authority's priorities; an opportunity to engage with stakeholders; the Committee and Senior Management better understand how the internal audit service helps to accomplish its objectives; and this ensures that best practice is followed.
- 3.2.6 The key distinction with establishing plans derived from a risk based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.

3.2.7 Consultation with the S151/S17 Officer and Senior Management takes place through discussion during which current and future developments, changes, risks and areas of concern are considered and the plan amended accordingly to take these into account.

3.2.8 The outcome of this populates the annual internal audit plan, which is discussed with and approved by senior management prior to these being endorsed by the Audit Committee. In addition, External Audit is also provided with details of the plans.

### 3.3 Internal Audit Annual Opinion

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

3.3.2 The opinion is based upon:

- The summary of the internal audit work carried out;
- The follow up of management action taken to ensure implementation of agreed action as at financial year end;
- Any reliance placed upon third party assurances;
- Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS);
- The Annual Review of the Effectiveness of Internal Audit, which includes;
  - A statement on conformance with the Public Sector Internal Audit standards and the results of any quality assurance and improvement programme,
  - the outcomes of the performance indicators and
  - the degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

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

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

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

4.2 The annual audit planning process ensures that new or emerging risks are identified and considered at a local level. This strategy ensures that the planning process is all encompassing and reviews the records held by the Authority in respect of risks and issue logs and registers, reports that are taken through the Authority Committee meetings, and through extensive discussions with senior management.

4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular "horizon scanning" updates, and annually a particular focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.

- 4.4 Each Authorities risk profile will be evaluated throughout each year, and if required, amendments to the Internal Audit Plan will suggested for approval to ensure that Internal Audit coverage continues to focus on providing assurance over the Authorities key risks.
- 4.5 Coverage and testing plans for each audit are determined using the following principles:
- The number of days allocated to each review is considered based on the complexity of the area being audited factoring in audit scoping, testing time and quality assurance processes.
  - Key management assurance controls will be prioritised during testing to confirm that risks identified by the service area and internal audit during scoping are being monitored and managed.
  - Ordinarily, samples for each control tested will be selected to cover a 12-month period to ensure that internal audit coverage supports the annual internal audit opinion.
  - Testing sample sizes will ordinarily be based on the frequency of the control. By way of example; for each key financial control carried out weekly, a sample of four, one in each quarter across the year will be selected.
  - Testing samples will be selected randomly and objectively to provide a balanced view on the strength of the controls in place.
  - Where applicable data analytics will be used to test 100% of the available sample. The Internal Audit team will aim to increase the opportunities to adopt data analytics in their work to provide greater levels of assurance.

## **5. How internal audit resource requirements have been assessed**

- 5.1 The in-house Internal Audit team at South Norfolk Council consists of the Head of Internal Audit who is a Chartered professional and an Internal Audit Trainee, currently training to become part qualified with the Chartered Institute of Internal Auditors.
- 5.2 These resources are used to contract manage the outsourced provider effectively, ensuring that the key performance measures of the service are met on behalf of consortium members. The team also provides Internal Audit management support to one other Council outside of the Consortium.
- 5.3 The Internal Audit Trainee has recently been appointed to enhance continuity arrangements and contribute towards building succession opportunities within the Consortium.
- 5.4 Through utilising a contractor, the risk based internal audit plan can be developed without having to take into account the existing resources, as you would with an in-house team, thus ensuring that audit coverage for the year is appropriate to the Authority's needs and not tied to a particular resource.
- 5.5 A core team of staff is provided by the contractor to deliver the audit plan, and these staff bring with them considerable public sector knowledge and experience. These core staff can be supplemented with additional staff should the audit plan require it, and in addition specialists, e.g. information technology auditors, contract auditor, fraud specialists, can be drafted in to assist in completing the internal audit plan and focusing on particular areas of specialism.
- 5.6 All audit professionals are encouraged to continually develop their skills and knowledge through various training routes; formal courses of study, in-house training, seminars and



webinars. As part of the contract with TIAA Ltd the contractor needs to ensure that each member of staff completes a day's training per quarter.

- 5.7 The recent External Quality Assessment has highlighted that the internal audit service needs to invest in skills relating to Data Analytics to ensure audits are carried out to take full advantage of the benefits that can be realised from this audit technique.
- 5.8 In 2022/23, the team made the first steps to develop a data analytics strategy by undertaking training in this area. The contractor has also been developing data analytic capabilities within its auditing of financial key controls audits. A commitment has been made to ensure that by 2025/26 each internal audit review regardless of area will incorporate some data analytics testing. Where systems data is not available to support such tests, a recommendation will be highlighted with the aim of encouraging the development of data maturity.
- 5.9 In addition to the above, in order to support the internal audit function to deliver the service using the latest best practice from the internal auditing profession, subject matter leads have been assigned to each new subject area such as climate and sustainability, culture and AI Data Analytics. Each subject matter lead will proactively seek training and guidance for their assigned area and will be responsible for upskilling the rest of the team.
- 5.10 The above-mentioned arrangements ensure that the Internal Audit Service can respond effectively to the assurance needs of each Authority whilst ensuring that the core team used are sufficiently qualified and experienced.  
and experience.



### APPENDIX 3 – STRATEGIC INTERNAL AUDIT PLAN

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Annual Opinion / Governance audits</b>							
Corporate Governance	2020/21 - Reasonable 2022/23 - deferred	Loss of reputation. Lack of transparency in decision-making process - 9 (Medium)	12		12		Audit deferred from 2022/23. Assurance to be provided on preparations to support Cabinet system and ongoing management of the change. Audit required to support annual opinion.
Data Protection Compliance	2020/21 - Reasonable	Compliance with UK GDPR - 9 (Medium)		12			Medium risk highlighted, audit planned in 2024/25 to provide assurance that audit recommendations from previous review are operating effectively.
Annual Governance Statement	2021/22 - Reasonable					12	
Risk Management	2018/19 - Reasonable 2021/22 - Reasonable				10		
Corporate Plan and Performance	2016/17 - Reasonable 2022/23 - Reasonable	Changes in government policies - 9 (Medium)  Delivery of long-term strategic objectives - 8 (Medium)			12		Assurance provided on corporate planning and performance processes in 2022/23, medium risk will be monitored.
Corporate Programme and Project Management	2021/22 - Reasonable	Management of major projects - 9 (Medium)		12			The Council is managing a large portfolio of significant projects such as the Winter Gardens, levelling up fund and town fund and future high streets. The Major Projects and Programme Director is undertaking a review of the delivery framework. A review has therefore been scheduled for 2024/25 to allow that work to happen.
Key Controls and Assurance	2021/22 - Reasonable 2022/23 - TBC		15	15	15	15	Annual assurance audit
Corporate Health and Safety	2018/19 - Reasonable 2022/23 - Reasonable	Emergence of new strain of Covid-19 - 4 (Very Low)			10		Reasonable assurance provided in 2022/23.
Equinox Enterprises	2017/18 - Limited 2019/20 - Reasonable			10			
Counter Fraud and Corruption Arrangements	2021/22 - Limited			10			
Procurement and Contract Management	2020/21 - Position Statement 2022/23 - TBC	Sufficient resources and resilience to ensure effective procurement - 12 (High)  Sufficient resources and resilience to ensure effective contract management			12		

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Fundamental Financial Systems</b>							
Accountancy Services includes control accounts, banking, bank reconciliation, asset register, budgetary control and treasury management	2019/20 - Substantial 2021/22 - Reasonable	Financial Sustainability - 20 (very high)  Impact of Inflation - 20 (very High)  Gaps in insurance cover - 6 (Medium)	16		16		Budget setting and budget management reviewed as part of this work to provide assurance over financial sustainability. Impact of inflation will be considered during each audit scheduled where applicable.
Accounts Payable	2020/21 Substantial 2022/23 - TBC			12		12	
Accounts Receivable and Income	2019/20 - Reasonable 2021/22 - Reasonable		16		16		Car parking income arrangements to be picked up in audit of car parks.
Payroll and Human Resources (includes officer expenses)	2020/21 - Reasonable 2022/23 - TBC			15		15	
Council Tax and National Non-Domestic Rates	2019/20 - Reasonable 2021/22 - Reasonable		15		15		
Housing Benefits and Council Tax Support	2019/20 - Substantial 2021/22 - Reasonable		15		15		
Housing Rents	2020/21 Reasonable 2022/23 - TBC			16		16	
<b>Contract Audit</b>							
Capital Programme Contracts (General Fund & HRA)	2018/19 - Reasonable 2021/22 - Substantial				12		
GY Norse including Repairs and Maintenance, Voids	2019/20 Reasonable 2021/22 - Limited (Invoicing).		10		12		At the request of management a review of stock management controls will be undertaken at GYN.
<b>Service area audits</b>							
GY Services	2019/20 Reasonable	Tree, open and play space management - 12 (High )  Creation of Local Authority subsidiary company for operational services - GYS Ltd - 8 (Medium)		16			Audit scheduled for 2024/25 to provide the service level agreement is being adhered to and provide assurance over the management of tree/open spaces and management of play equipment.
Event Management and Tourism	2016/17 - Limited 2022/23 - Reasonable	Event management for large scale events held in the Borough by a 3rd party on Council land - 6 (Medium)				12	Reasonable assurance provided in 2022/23
Early Help Hub	2017/18 - Reasonable					10	

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>HR People</b>							
Workforce planning organisational development	New specific area	Workforce capacity - 16 (High) Change Management - 6 (Medium)	12				A significant risk has been raised regarding recruitment, retention and staff capacity to deliver major projects, in sourcing and grant funding schemes. Assurance suggested for later in 2023/24 to evaluate workforce planning, staff recruitment and retention risks.
<b>Legal &amp; Governance</b>							
Legal Services Arrangements	2016/17 - Reasonable			12			Audit requested, no significant risks raised. Additional budget would need to be requested/approved.
Member Services	2015/16 - Position Statement					10	
<b>Planning</b>							
Development Control - Strategic Planning Policy and Land Charges	2017/18 - Reasonable 2022/23 - TBC	Infrastructure not being able to meet demand - 9 (Medium)					Internal Audit assurance in 2022/23
Building Control - Planning Enforcement and Section 106 Arrangements	2017/18 - Reasonable 2019/20 Reasonable S106 Agreements		15				Enforcement audit not undertaken since 2017/18. Legislative and reputational risks highlighted.
<b>Environmental Services</b>							
Civil Contingency Business Continuity	2022/23 - Reasonable	Incident Management - flood risk - 12 (High)  Business Continuity - national/rolling power outages - 10 (High)  Business Continuity - 8 (Medium)				15	Reasonable assurance provided in 2022/23 on business continuity.
Sustainability Climate Change	No review	Failure to reduce the carbon footprint of the Council as an Organisation or housing stock;  Failure to embrace sustainability and mitigate the impact of climate change - 12 (High)		12			Review scheduled following approval of strategy to provide assurance on progress against the action plan.
Environmental Services - Corporate Enforcement focus	2018/19 - Reasonable 2019/20 - Reasonable 2021/22 - Limited			12			
Licensing	2016/17 - Reasonable				10		
Elections	2014/15 - Reasonable 2022/23 - Substantial					10	
Private Sector Housing inc HMO's Selective Licencing	New specific area		12				Review of selective licencing regime in Nelson Ward to be undertaken ahead of scheme end in January 2024

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Customer Services</b>							
Contact Centre	2018/19 - Reasonable				10		
Parking Services	2015/16 - Reasonable 2018/19 Reasonable		15				The Councils parking is managed by Borough of Kings Lynn and West Norfolk through a Service Level Agreement. Parking income will be reviewed as part of this audit.
Bereavement Services	2016/17 - Substantial 2022/23 - TBC					12	
<b>Property and Asset Management</b>							
Non housing Property and Asset Management inc Commercial Property	No recent review		15				The council manages a large portfolio of non housing property/assets. An audit is scheduled to provide assurance on the management of these.
Coastal Protection	2021/22 - Reasonable	Coastal Erosion - 20 (Very High)  Flood and Coastal Management - 15 (High)		12			Very high risk raised in strategic risk register. A review will be scheduled for 2024/25 to provide assurance over the management of the FCRIIP funding.
Markets	2019/20 - Reasonable				12		
<b>Housing</b>							
Housing Asset Management	2018/19 Reasonable 2022/23 - Deferred		12				Audit deferred from 2022/23 programme. Audit to provide assurance on creation of planned maintenance programmes, stock condition surveys and contract management of planned maintenance programmes.
Housing Strategy and Affordable Housing	2012/13 - Reasonable 2019/20 - Reasonable				15		
Housing Compliance	2021/22 - No Assurance	Failure to delivery compliance improvement plan - 12 (High)	12				HOIA on compliance improvement board. External independent assurance may be used to provide assurance to the regulator on improvements. Follow up review time added to the audit plan to provide assurance that progress has been made on improving controls.
Voids	2021/22 - Limited			12			
Right To Buy	2017/18 - Reasonable			12			
Leasehold Management	2017/18 - Limited 2018/19 Reasonable				12		

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Housing</b>							
Housing Needs, Allocations, Homelessness & Housing Register	2020/21 - Position Statement 2022/23 - Deferred	Impact of Inflation (very high) 20 Lack of community cohesion/community tensions - 8 (medium)	15				Audit deferred from 2022/23. Significant risks raised at strategic level that could ability to house increasing number of homeless residents.
Housing Adaptations	2017/18 - Limited. 2019/20 - Reasonable					12	
Control Centre		Capacity and resilience of the control centre - 12 (High)  BT upgrade network from analogue to digital by 31st December 2025 - 15 (high)	12				Resilience risks raised at strategic level. Area not reviewed before. Significant reputational risks if service harm comes to service users.
Disabled Facilities Grants & discretionary loans	2018/19 - Reasonable 2022/23 - Substantial					12	
Tenancy Services	2022/23 - Reasonable			10			
<b>Inward Investment</b>							
Economic Development		Local/National Economy - 16 (High)  Reduced spending in Great Yarmouth - 15 (High)		12			Local Government Association have provided the Council with a growth action plan. Audit planned for 2024/25 to provide assurance over sample of projects from Towns Fund, Future High Streets.
Sports and Leisure	2018/19 - Limited		12				New contract in place with the Marina Centre has not yet been audited.
Heritage Action Zone/Conservation & Heritage	2019/20 Limited Preservation Trust 2022/23 - Reasonable (HAZ project)					12	Reasonable assurance given in 2022/23.

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>ICT Audits</b>							
Remote Access	2020/21 - Substantial				10		
Data Management		Information Security - 9 (Medium) Data Quality - 9 (Medium)		10			
Data Centre, Back Up and Disaster Recovery	2019/20 Reasonable						
Software Licensing	2021/22 - Reasonable						
Starters, Movers, Leavers	2019/20 Reasonable						
Change Control & Patch Management	2015/16 Limited						
Network Infrastructure	2018/19 Reasonable			10			
ICT Contract Review & IT Strategy	2018/19 Reasonable				10		
Cyber Security	2019/20 Reasonable 2022/23 - Deferred	Cyber Security - 20 (Very High)	12				Audit deferred from 2022/23. Cyber Security Maturity Assessment scheduled in 2023/24 to provide independent assurance over very high scoring risk.
Digital Strategy	2022/23 - Audit Due					10	
Application Audits		IT systems capability and interaction - 16 (High)	10	10			HR and Payroll application review delayed from 2022/23.
IT Audit Coverage TBC			0	0	10	20	
<b>Follow Up of audit recommendations</b>							
All audit recommendations			16	16	16	16	
<b>Total number of days</b>			<b>269</b>	<b>258</b>	<b>262</b>	<b>221</b>	

#### APPENDIX 4 - ANNUAL INTERNAL AUDIT PLAN 2023/24

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Annual Opinion / Governance audits</b>						
Corporate Governance	12	12				An audit of corporate governance was deferred from 2022/23. A medium scoring strategic risk has been highlighted regarding a loss of reputation resulting from a lack of transparency around decision making. The Council is due to adopt a Cabinet system from April 2023 onwards. Our corporate governance audit will provide assurance that the Council is following the new constitution when making and reporting key decisions.
Key Controls and Assurance	15				15	This is an annual review of key controls and feeds into the Statement of Accounts, for those systems not subject to a full audit review within the year, coverage will be required.
<b>Fundamental Financial Systems</b>						
Council Tax and NNDR	15			15		This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area.
Housing Benefit and Council Tax Support	15			15		This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area.
Accounts Receivable and Income	16			16		This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area.
Accountancy Services	16				16	This key financial system feeds into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in this area. Due to high scoring strategic risks relating to inflation and financial sustainability, this audit will focus on budget setting/control and provide assurance on progress relating to savings plans.



Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Service area audits</b>						
Workforce planning organisational development	12		12			Two strategic risks have been raised regarding workforce capacity and organisational change. This position statement will provide advisory assurance on the councils approach to managing turnover and recruitment risks, providing an update on progress against the development workforce planning, organisational development and suggesting areas of good practice where applicable.
Building Control - Planning Enforcement and Section 106 Arrangements	15		15			Planning enforcement has not been reviewed recently. An audit providing assurance over the councils ability to enforce breaches to planning conditions will be undertaken and will also incorporate a review of controls for the management of Section 106 agreements.
Private Sector Housing inc HMO's Selective Licencing	12		12			The councils selective licencing regime comes to an end in January 2024. This audit will evaluate the effectiveness of the scheme and determine benefits and challenges to provide insight for discussions about whether the scheme has been a success and could be used elsewhere across the Borough.
Parking Services	15				15	Parking services are delivered by Borough Kings Lynn and West Norfolk via a Service Level Agreement. This audit will provide assurance that the council receives required level of information to monitor the effectiveness of the service and will evaluate income reconciliation controls.
Non housing Property and Asset Management inc Commercial Property	15	15				The council manages a large portfolio of non housing commercial property and assets such as beach huts, 3G pitch, pavilions, industrial units etc. This review will provide assurance that income and maintenance controls are effective across a sample of assets across the portfolio.
Housing Asset Management	12		12			A review of planned maintenance was deferred from the 2022/23 plan. A position statement will be carried out to provide assurance over the councils ability to develop and manage a planned maintenance investment strategy for housing stock in conformance with decent homes standards. This review will evaluate the stock condition process and management of large contracts.



Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Service area audits</b>						
GYN Stock and Stores Management	10			10		At the request of management an audit will be undertaken covering repairs and maintenance stock management practices at GYN. The audit will cover stock ordering and management, inventory records and assurance to provide assurance that stores are being robustly managed and the risk of mismanagement and fraud is being prevented.
Housing Compliance	12				12	The 2021/22 internal audit review of housing health and safety compliance was given a no assurance grading. The HOIA has been monitoring progress against the compliance improvement plan developed for the housing regulator after self referral. Coverage in this area will be used to follow up on recommendations raised as part of this review to independently assess whether compliance control risks are resolved.
Housing Needs, Allocations, Homelessness & Housing Register	15		15			A very high scoring strategic risk has been raised relating to the impact of inflation on residents in the borough with the potential impact being identified as a potential increase in homelessness. A new Housing Allocation Scheme went live at the end of 2022/23. This review was therefore deferred from the 2022/23 plan to allow for the new scheme to be implemented. This audit will provide assurance that the service is being delivered in line with statutory obligations such as action taken to prevent homelessness.
Control centre	12				12	Strategic risks have been raised relating to the resilience of resources and infrastructure used to deliver services from the control centre. A community alarm service is delivered throughout Norfolk and Waveney within the control centre. This area therefore represents a significant reputational risk if harm comes to service users in the event the control centre cannot take calls. Our audit will provide assurance over the controls in place to prevent these risks from occurring.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Sports and Leisure	12	12				A high scoring strategic risk has been raised relating to the management of contracts throughout the Council. The audit will evaluate the robustness of contract management processes for The Marina Centre managed by Freedom Leisure. The audit will consider whether climate sustainability targets feature within the councils management of the contract.
<b>ICT Audits</b>						
Cyber Security	12		12			A high scoring strategic risk has been raised relating to the impact of a critical cyber security incident. An audit of this area was carried out in 2019/20 and was scheduled for 2022/23 but was deferred due to audit resourcing challenges. The threat from cyber related risks continues to increase. A cyber security maturity assessment will be carried out to establish the Council's current level of control for preventing an attack from being successful.
Application Audit - HR and Payroll System	10	10				The Council plans to implement a new HR and Payroll System in 2023/24. IT audit coverage has been added to provide support to this project pre-implementation.
<b>Follow Up of audit recommendations</b>						
All audit recommendations	16	4	4	4	4	Bi-monthly follow up of agreed audit recommendations
<b>Total number of days</b>	<b>269</b>	<b>53</b>	<b>82</b>	<b>60</b>	<b>74</b>	

## APPENDIX 5 – GYBC ASSURANCE MAP TOP 4 STRATEGIC RISKS 2023/24

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<b>1. Financial Sustainability - Unknowns about the future funding for Local Government including the operation of the business rates retention scheme. Results in Inability to effectively plan for the medium to long term and unplanned reductions to services and quality of delivery.</b>	<p>Continued review of reserves and balances to manage cashflow, unexpected events and use of reserves to deliver longer term benefits</p> <p>Review of the Medium Term Financial Strategy when the outcomes of the Fair Funding Review and review of the Business Rates Retention Scheme are announced.</p>	<p>Monitoring and scrutiny of all Joint Venture operations and Subsidiary Companies.</p> <p>Continue to pro-actively respond to central government funding consultations.</p>	<b>Internal Audit Open Book Review of GYN in 2022/23 provided independent assurance. Budget setting controls are reviewed annually as part of Key Controls work, more in-depth work will be carried out in the 2023/24 accountancy services review covering savings plans.</b>
<b>2. Coastal Erosion due to Sea Level Rise / Climate Change results in Unsafe coastline resulting in danger of life and Loss of property, infrastructure and assets and economic potential.</b>	<p>Emergency planning framework in place to deal with major incidents. Facilitation of community groups to work with coastal areas in relation to adaptations. Ongoing discussion with national government for assistance with adaptation and regular updating of erosion mapping.</p> <p>Funding for Defra's Flood and Coast Resilience Programme (FCRIP) project received with the aim of exploring solutions.</p>	<p>Coastal Partnership East board meetings to discuss approach to this risk with local partners. Additional Officer working group set up. Board set up for FCRIP to provide governance oversight to the project.</p>	<b>Coastal protection audit carried out in 2021/22 by internal audit. A reasonable assurance grading was given. Further assurance planned for 2024/25 covering progress against the FCRIP project.</b>

<b>Risk</b>	<b>First Line Assurance</b>	<b>Second Line Assurance</b>	<b>Third Line Assurance</b>
<b>3. Impact of Inflation - results in increased costs, increased demand for services, scarcity of labour, scarcity of goods and supplies or other operational impacts which impair the Councils ability to deliver services for people within the borough.</b>	Recruitment policies, medium term financial planning. Key performance indicators for each function to provide senior management with health of each service.	Working closely with the local resilience forum, who are the lead agency, in respect of planning for consequences of trade deal negotiations. Working in collaboration New Anglia LEP.	<b>This risk covers a range of auditable areas. Each internal audit review undertaken provides assurance over robustness of performance information. The impact of inflation on housing will be covered as part of the 2023/24 programme of work. The management of the council's finances will be covered as part of the accountancy services review and for audits of the councils key contracts such as Leisure, inflation risk will be a consideration.</b>
<b>4. Cyber Security - Cyber threats upon the Council's systems - data / systems hacked results in an inability to deliver basic business services. Inability to recover to agreed service levels within agreed timescales</b>	Annual Cyber Security Health check undertaken by NCC. IT security procedures and IT security policy.	PSN compliance check.	<b>Cyber security maturity assessment audit scheduled for 2023/24</b>

## AUDIT AND RISK COMMITTEE – WORK PROGRAMME 2022/23

23 January 2023 (Deferred from 5 December 2022)	6 March 2023	TBC
<b>Internal Audit</b>		
Progress Report on Internal Audit Activity 2022/23		Internal Audit Progress and Follow Up
Report on the Status of Audit Recommendations	Committee Self Assessment 2022/23 (Verbal discussion)	
	Strategic and Annual Internal Audit Plan 2023/24	
<b>External Audit</b>		
		Audit Plan Year Ending 31 March 2022
<b>Finance</b>		
	Statement of Accounts - Update	
<b>Risk Management</b>		
Corporate Risk Register		Corporate Risk Register
		Annual Report on Risk Management Arrangements 2022/23
<b>Governance</b>		
		Code of Corporate Governance
Annual Governance Statement Action Plan Update		Draft Annual Governance Statement 2022/23