

# Eastern Internal Audit Services



## SOUTH NORFOLK COUNCIL

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

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

## **2. INTERNAL AUDIT CHARTER**

- 2.1 There is an obligation under the PSIAS for the Charter to be periodically reviewed and presented. This Charter is reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to the Section 151 Officer, senior management, and the Finance, Resources, Audit and Governance Committee annually for

approval. The Charter can be found at **Appendix 1**. Please note that no significant changes have been made to the Charter.

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

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

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

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

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

- 4.1 The overarching objective of the Strategic Internal Audit Plan (**see Appendix 3**) is to provide a comprehensive programme of review work over the next three-year period following 2024/25. Each year provides sufficient audit coverage to give an annual opinion, which can be used to inform the organisation's Annual Governance Statement.
- 4.2 The coverage over the subsequent three-year period has been discussed with the 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 summary and purpose of the review.
- 5.2 The annual Internal Audit Plan for 2024/25 totals 332 days, (166 for South Norfolk Council) encompassing 24 internal audit reviews, five 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 concluded that the internal audit service is delivered in conformance with the Public Sector Internal Audit Standards. Assurance Mapping was highlighted as an area requiring development.
- 6.2 Assurance mapping is an emerging area of internal audit practice which involves mapping a visual representation of assurance activities as they apply to a specific set of risks or compliance requirements facing an organisation.
- 6.3 This exercise is particularly useful to undertake as part of internal audit planning as it allows the function to determine to what extent it can rely on and co-ordinate its activities with other assurance providers to enhance value and prevent duplication.
- 6.4 Following discussions with management during the 2023/24 audit planning process, the Internal Audit Team mapped the types of assurance available for the top four corporate risks facing the Council at this time in each of the three assurance categories listed below.

**6.5 Three lines of assurance**

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

- 6.6 The assurance map provided at **Appendix 5** of this report highlights what assurances are available in each of the three lines for the top six scoring strategic risks. This has been used to provide justification to the areas included within the strategic and annual internal audit plans. This was used to provide justification to the areas included within the strategic and annual internal audit plans for 2023/24. This exercise has not been repeated for audit planning purposes this year.
- 6.7 The corporate risks have changed and now only two are assessed as very high as follows: SNCP3, 'implications arising from the Government's Resources and Waste Strategy and Environment Act 2021' (20) and SNCM12, 'there is a heightened threat of a successful cyber attack in the current climate due to the volatile situation in Ukraine and the potential for state-sponsored attacks to NATO members, including in the UK.' (20).
- 6.8 It is proposed that some of the top corporate risks are developed further during 2024/25 into more detailed assurance maps.

## APPENDIX 1 – INTERNAL AUDIT CHARTER



### EASTERN INTERNAL AUDIT SERVICES

#### INTERNAL AUDIT CHARTER FOR 2024/25

#### 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an internal audit charter; this formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The Charter also displays a formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e., the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to 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, the term Audit Committee is the generic term for the Governance, Risk and Audit Committee throughout, and the Chief Audit Executive is the Head of Internal Audit.

#### 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 administratively 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 reports functionally to each Section 151 Officer or Section 17 Officer at all other members of the Consortium and the Audit Committee.

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 Head of Internal Audit 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 is 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 Senior Internal Auditor, 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 is professionally qualified (CMIIA, CCAB or equivalent) and has wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.2 The Head of Internal Audit is supported by a Senior Internal Auditor 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 Head of Internal Audit develops a strategy, alongside a strategic and annual internal audit plan, using a risk-based approach.
- 9.2 The Internal Audit Strategy provides a clear direction for internal audit services and creates a link between the Charter, the strategic plan and the annual plan.
- 9.3 The annual internal audit plan of work, developed as per the Internal Audit Strategy, is derived using a risk-based approach, discussed with Senior Management and approved by the Audit Committee. The Head of Internal Audit is responsible for the delivery of the Internal Audit Plan, which will be kept under regular review and reported to the Audit Committee.

## **10 Audit Reporting**

- 10.1 On conclusion of each assurance review included within the annual internal audit plan, a report will be provided to management giving an opinion on the adequacy of controls in place to manage risk. This report will provide an assurance level and associated recommendations to ensure that risks are appropriately addressed.
- 10.2 Management can choose not to accept / implement the recommendations raised, in all instances this will be reported through to Senior Management and the Audit Committee, especially in instances whereby there are no compensating controls justifying the course of action.
- 10.3 A Progress Report is periodically presented to the Audit Committee which includes the Executive Summary of all final reports, any significant changes to the approved plan and the performance of the contractor relative to completing the agreed plan.
- 10.4 A 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 2024/25

## 1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
  - How the internal audit service will be delivered;
  - How internal audit services will be developed in accordance with the Internal Audit Charter;
  - How internal audit services links to the organisational objectives and priorities; and
  - How the internal audit resource requirements have been assessed.
- 1.2 The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the Standards).
- 1.3 The purpose of the strategy is to define the objectives, function, the approach, resources and processes needed to achieve Internal audit service, providing a clear link between the Charter and the annual plan.
- 1.4 Throughout this strategy the term 'The Council' or 'Council' references any member of the Eastern Internal Audit Services Consortium. The term 'Audit Committee' is used throughout to refer to each Council's 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, the Broads Authority and from April 2022, Norwich City Council. All Councils are bound by a Partnership Agreement.
- 2.2 The delivery of the internal audit plans for each Council is provided by an external audit contractor, who reports directly to the Head of Internal Audit at South Norfolk Council. Following a successful procurement exercise the new contract with TIAA Ltd commenced from 1 April 2022 and ends on 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 Council's operations. It helps the Council accomplish its objectives by

bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

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

3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit Committee and the Section 17 Officer also receive: -

- The annual Internal Audit Plan, 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 Council'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 the audits that could be performed; and
- Previous internal audit plans and the results of audit engagements.

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

3.2.4 Risk based internal audit planning starts with the Council's Corporate Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Council.

3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Council's priorities; an opportunity to engage with stakeholders; the Audit Committee and 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 Section 151 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 the Council's objectives and priorities and thereby through the risk-based approach adds value, Internal Audit also ensures an awareness is maintained of local and national issues and risks.

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

4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular "horizon scanning" updates, and annually a particular

focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Chartered Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.

- 4.4 The Council's risk profile will be evaluated throughout each year, and if required, amendments to the Internal Audit Plan will be suggested for approval to ensure that internal audit coverage continues to focus on providing assurance over key risks.
- 4.5 Coverage and testing plans for each audit are determined using the following principles: -
- The number of days allocated to each review is considered based on the complexity of the area being audited factoring in audit scoping, testing time and quality assurance processes.
  - Key management assurance controls will be prioritised during testing to confirm that risks identified by the service area and internal audit during scoping are being monitored and managed.
  - Ordinarily, samples for each control tested will be selected to cover a 12-month period to ensure that internal audit coverage supports the annual internal audit opinion.
  - Testing sample sizes will ordinarily be based on the frequency of the control. By way of example; for each key financial control carried out weekly, a sample of four, one in each quarter across the year will be selected.
  - Testing samples will be selected randomly and objectively to provide a balanced view on the strength of the controls in place.
  - Where applicable, data analytics will be used to test 100% of the available sample. The 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 Eastern Internal Audit Service (EIAS) Consortium consists of a Head of Internal Audit who is a Chartered internal audit professional and a Senior Internal Auditor, currently training to become a Certified Internal Auditor.
- 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 Senior Internal Auditor is a recent appointment 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 Council'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, the contractor needs to ensure that each member of staff completes a day's training per quarter.
- 5.7 The External Quality Assessment in 2022/23 highlighted that that the Internal Audit Service needs to invest in skills relating to data analytics to ensure audits are carried out to take full advantage of the benefits that can be realised from this audit technique.
- 5.8 The new Head of Internal Audit and Senior Internal Auditor are both trained in data analytics using MS PowerBi. 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. A Data Analytics Strategy will be developed in 2024/25.
- 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 is able to respond effectively to the assurance needs of the Council whilst ensuring that the core team used are sufficiently qualified and experience.

### Appendix 3 - Strategic Internal Audit Plan 2024/25 to 2026/27

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
<b>Governance and Risk</b>						
Corporate Governance	2019/20 - Reasonable 2020/21 (Governance arrangements for covid) - Reasonable 2023/24 (Decision making, meetings, committee structure - TBC	No specific strategic risk identified by the Council.			20	Regular assurance required for annual opinion.
Annual Governance Statement	2021/22 - Substantial	No specific strategic risk identified by the Council.	10			Assurance on the new AGS process following the update of the Code of Governance.
Risk Management	2022/23 - Position Statement	No specific strategic risk identified by the Council.		15		Regular assurance required for annual opinion.
<b>Corporate Areas</b>						
FOIs and Complaints	2023/24 - Reasonable	No specific strategic risk identified by the Council.				Regulatory and reputational risks associated with this area.
Data Protection (GDPR)	2023/24 - TBC	No specific strategic risk identified by the Council.			15	Scope will be determined at the time of the audit.
Business Continuity, Emergency Planning	2022/23 - Reasonable	No specific strategic risk identified by the Council.		16		Scope will be determined at the time of the audit.
Performance Management, Business Planning	2016/17 - Substantial 2021/22 - Reasonable	High Risk (12) SNCM6 - The Council fails to take advantage and act quickly and proactively on the opportunities of Local Government Reform and devolution.		16		Scope will be determined at the time of the audit.
Procurement	2020/21 Position Statement 2022/23 - Limited	No specific strategic risk identified by the Council.		15		Scope will be determined at the time of the audit.
Contract Management	2020/21 Position Statement 2022/23 - Limited	No specific strategic risk identified by the Council.	15			Assurance that contracts are being effectively managed and monitored by contract managers.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Project Management	2023/24 - Position Statement	No specific strategic risk identified by the Council.				Scope will be determined at the time of the audit.
Counter Fraud and Corruption Framework	2021/22 - Limited	No specific strategic risk identified by the Council.	15			Assurance that the Counter Fraud and Corruption Framework is adequate and effective in detecting and preventing fraud.
Corporate Health and Safety	2021/22 - Substantial	No specific strategic risk identified by the Council.		20		Scope will be determined at the time of the audit.
Collaboration Feasibility/Accommodation	New area	No specific strategic risk identified by the Council.				Report going to Scrutiny Committee on benefits whether to continue with the arrangement.
Broadland only - Broadland Growth	2019/20 Reasonable	No specific strategic risk identified by the Council.				Scope will be determined at the time of the audit.
Administration of the Scheme for others to utilise Levelling Up Funds for Nutrient Positive Schemes and the purchase of credits. (£9.6m held by BDC)		No specific strategic risk identified by the Council.	12			Assurance on the governance and administration of the arrangements for investing in nutrient positive schemes brought forward by parties to enable the purchase of credits by developers.
<b>LATCos</b>						
Norfolk Environmental Credits (NEC) (not-for profit company) (collaboration with Broadland, Breckland North North District Councils)	2023/24 - Deferred	No specific strategic risk identified by the Council.				A internal review of the strategic and governance arrangements against the Local Partnerships' 'Local Authority Company Review Guidance' document is being undertaken internally in 2024/25.
Broadland Living		Medium High Risk (10) SNCS14 - There is insufficient affordable private housing and insufficient social housing stock to meet the demand of the Council, and temporary accommodation.				A internal review of the strategic and governance arrangements against the Local Partnerships' 'Local Authority Company Review Guidance' document is being undertaken internally in 2024/25.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Big Sky	2021/22 - (Governance & strategic arrangements) Position Statement	Medium High Risk (10) SNCS14 - There is insufficient affordable private housing and insufficient social housing stock to meet the demand of the Council, and temporary accommodation.				A internal review of the strategic and governance arrangements against the Local Partnerships' 'Local Authority Company Review Guidance' document is being undertaken internally in 2024/25.
<b>Fundamental Financial Systems</b>						
Financial Sustainability		Medium High Risk (10) SNCM1 - Financial - the Council fails to anticipate and respond to large scale changes in the external environment that impacts on our ability to deliver our MTFP.				Audit to be considered later in the audit year.
Key Controls and Assurance	2021/22 - Reasonable 2022/23 - Limited 2023/24 - TBC	No specific strategic risk identified by the Council.	20	20	20	Annual assurance required for annual opinion
Accountancy Services - includes control accounts, banking, bank reconciliation, suspense accounts, journals, month end processes.	2019/20 - Reasonable 2021/22 - Reasonable 2023/24 - TBC	No specific strategic risk identified by the Council.		15		Regular assurance provided on controls relating to budgeting, financial management of assets and treasury management.
Fixed Asset Management	Previously covered in the Accountancy Services audit.	No specific strategic risk identified by the Council.			12	Scope will be determined at the time of the audit.
Budget setting and budgetary control	Previously covered in the Accountancy Services audit.	No specific strategic risk identified by the Council.		15		Scope will be determined at the time of the audit.
Treasury Management	Previously covered in the Accountancy Services audit.	No specific strategic risk identified by the Council.	15			Assurance on compliance with CIPFA's Prudential Code and Treasury Management Code for investments and borrowing.

<b>Audit Area</b>	<b>Last review &amp; assurance</b>	<b>Associated Risk</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Justification</b>
Accounts Receivable/Income	2019/20 - Substantial 2021/22 - Limited 2023/24 - TBC	No specific strategic risk identified by the Council.		24		Scope will be determined at the time of the audit.
Accounts Payable	2018/19 - Reasonable 2022/23 - Limited	No specific strategic risk identified by the Council.	15		15	Assurance on the adequacy and effectiveness, and operation of the controls in place in the account payable cycle.
<b>Housing Benefits &amp; Council Tax</b>						
Council Tax	2018/19 Substantial 2022/23 - Reasonable	No specific strategic risk identified by the Council.		15		Scope will be determined at the time of the audit.
NNDR	2018/19 Substantial 2022/23 - Reasonable	No specific strategic risk identified by the Council.	15			Assurance on the processes for calculating and collecting NNDR, including any reliefs awarded taking into account the Non-Domestic Rating (Rate Retention) Regulations 2013.
Housing Benefit and Local Council Tax Support	2018/19 Reasonable 2022/23 - Reasonable	No specific strategic risk identified by the Council.	20		30	Assurance that applications are being assessed and actioned in a timely manner, including a review of overpayments, arrears and debt recovery and write offs, discretionary housing payments, reconciliations and the QA process.
<b>Payroll, HR &amp; Organisational Development</b>						
Payroll	2018/19 - Reasonable 2022/23 - (Process Mapping) Position Statement	No specific strategic risk identified by the Council.	15		16	Assurance that the controls in place to process the payroll are adequate and effective following the implementation of the new system.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Human Resources	2018/19 Reasonable 2022/23 - (Process Mapping) Position Statement	High Risk (16) SNCM11 - Capability and capacity does not meet organisational requirements		15		Scope will be determined at the time of the audit.
<b>Service Area Audits</b>						
<b>Economic Growth</b>						
Economic Development	2020/21 - Position Statement 2022/23 - Reasonable	No specific strategic risk identified by the Council.	15			Assurance on the projects funded through the UK Shared Prosperity Fund and Rural England Prosperity Fund in terms of spend, progress and outcome achievement.
Housing Strategy Affordable Housing	2022/23 Deferred 2023/24 - Deferred	Medium High Risk (10) SNCS14 - There is insufficient affordable private housing and insufficient social housing stock to meet the demand of the Council, and temporary accommodation.	12			A review of the Council's new documented Housing Strategy and associated plans.
Environmental Strategy		No specific strategic risk identified by the Council.	10			Assurance on progress with achieving strategic objectives and their associated outcomes.
Community Assets	2022/23 (Tree mgmt, play areas and open spaces) - Reasonable	No specific strategic risk identified by the Council.			18	Scope will be determined at the time of the audit.
Car Parking		No specific strategic risk identified by the Council.		15		Assurance on the processes for car parking enforcement in South Norfolk, issuing car park permits and income collections and car park maintenance.
<b>Chief of Staff</b>						

<b>Audit Area</b>	<b>Last review &amp; assurance</b>	<b>Associated Risk</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Justification</b>
Democratic Services, Training, Allowances & expenses	2013/14 - Reasonable 2016/17 - Position Statement 2023/24 (Member attendance, training, code of conduct, declarations of interest) - TBC	No specific strategic risk identified by the Council.			12	Scope will be determined at the time of the audit.
Legal services	2023/24 - Reasonable	No specific strategic risk identified by the Council.			15	Scope will be determined at the time of the audit.
Elections and Electoral Registrars	2015/16 - Substantial 2022/23 - Substantial	No specific strategic risk identified by the Council.		15		Scope will be determined at the time of the audit.
<b>Regulatory Services</b>						
Environmental Protection - Community Protection (covers, ASB & nuisances, and includes community safety and environmental enforcement (fly tipping, littering etc))	2023/24 (Surveillance & investigatory powers) - TBC	No specific strategic risk identified by the Council.	12			Assurance on the Council's processes to meet its statutory duty in relation to nuisances under the Environmental Protection Act 1990, and to deal with ASB taking account of statutory guidance introduced through the 2014 Act.
Environmental Protection - Environmental Quality (covers pollution control (permits), private water supplies (PWS), contaminated land, air quality and flood and water mgmt)	2018/19 (PWS, air quality, contaminated land) - Reasonable	No specific strategic risk identified by the Council.	12			Assurance that the Council's processes for meeting its statutory duties under legislation in relation to PWS, air quality and pollution control and contaminated land are adequate and effective.
Food Health and Safety	2017/18 - Substantial 2021/22 - Reasonable	No specific strategic risk identified by the Council.		12		Scope will be determined at the time of the audit.
Licensing (covers premises, events & entertainment, taxis, animals, scape metal dealers)	2017/18 - Substantial 2021/22 - Reasonable	No specific strategic risk identified by the Council.		12		Scope will be determined at the time of the audit.
<b>Community Services</b>						

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
South Norfolk only - Leisure	2019/20 - Reasonable 2022/23 - Reasonable	High Risk (12) SNCGE1 - The Council is unable to maintain memberships and income levels at its Leisure Centres as a consequence of Covid-19 South Norfolk ONLY		15		Scope will be determined at the time of the audit.
		High Risk (12) SNCS12 - Increasing energy costs for leisure and depot, plus unsecure or disruption to supply of fuel (gas/diesel/HVO) – South Norfolk ONLY				
Waste Management - includes contract monitoring, income collection & monitoring, pest control, refuse collection, street cleansing, recycling, clinical waste, abandoned vehicles and grounds maintenance.	2016/17 - Reasonable Broadland 2019/20 - Reasonable South Norfolk 2023/24 - TBC	High Risk (12) SNCS12 - Increasing energy costs for leisure and depot, plus unsecure or disruption to supply of fuel (gas/diesel/HVO) – South Norfolk				Scope will be determined at the time of the audit.
		Very High Risk (20) SNCP3 Implications arising from the Government's Resources and Waste Strategy and Environment Act 2021				
<b>Individuals and Families</b>						
Community Activity including leisure. assets of community value and the Early Help Hub.	2022/23 - Reasonable 2023/24 (Early Help Hub) - Reasonable	No specific strategic risk identified by the Council.		15		Scope will be determined at the time of the audit.



Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Private Sector Housing (private rentals, HMOs, empty homes)		No specific strategic risk identified by the Council.	15			Assurance that the Council is complying with its responsibilities under the Housing Act 2004 for the enforcement of housing conditions in private rentals and the licencing of HMOs, and a review of processes to deal with empty homes.
DFGs and discretionary grants and loans	2016/17 (DFG) - Substantial 2019/20 (Warm Homnes Fund) - Substantial	No specific strategic risk identified by the Council.		12		Assurance on the Council's policy for administering discretionary grants and loans including an analysis and review of where monies are spent and the demand for grant or loans.
Warm Homes Programme		No specific strategic risk identified by the Council.	15			A review of this programme as the current round of funding comes to an end looking at whether the programme has made a difference, what the pressures were and whether the Council is with making homes warmer.
Safeguarding and Wellbeing		No specific strategic risk identified by the Council.	12			Assurance on the adequacy and effectiveness of the processes to respond to safeguarding concerns raised.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Mgmt of private rental leased and owned houses) through Broadland Living and Big Sky.		No specific strategic risk identified by the Council.		15		The Council has purchased a number of properties for private rent to provide temporary accommodation which will be managed by Big Sky and Broadland Living. This arrangement will be reviewed in 2025/26.
Homelessness and Home Options	2019/20 - Limited 2021/22 - Reasonable 2023/24 - Reasonable	Medium High Risk (10) SNCS14 - There is insufficient affordable private housing and insufficient social housing stock to meet the demand of the Council, and temporary accommodation.			20	Scope will be determined at the time of the audit.
<b>Planning</b>						
Building Control (CNC - 5 Councils)	2016/17 - Reasonable 2018/19 - Reasonable	No specific strategic risk identified by the Council.		12		Assurance on the policies and processes in place for building control, dealing with breaches of building regulations, and the charging process and adherence to the rules around setting charges.
Development Management - planning & enforcement	2017/18 - Reasonable 2019/20 - Reasonable 2023/24 (Planning) - TBC	No specific strategic risk identified by the Council.		10		Assurance that the Council is undertaking its enforcement action in accordance with statutory timescales, and assurance on the governance arrangements and management oversight of cases, and the systems for recording and managing cases.

Audit Area	Last review & assurance	Associated Risk	2024/25	2025/26	2026/27	Justification
Community Infrastructure Levy (CIL) & S106 agreements	2019/20 - Reasonable	No specific strategic risk identified by the Council.	12			Assurance on the processes regarding the applying for, receipt of and spend of monies in relation to S106 agreements and CIL.
<b>ICT Audits</b>						
Cyber Security	2018/19 Reasonable 2021/22 - Limited 2023/24 - Deferred	Very High Risk (20) SNCM12 - there is a heightened threat of a successful cyber attack in the current climate due to the volatile situation in Ukraine and the potential for state-sponsored attacks to NATO members, including in the UK	12			Assurance on progress with the improvements recommended as a result of the Cyber Assessment Framework (Government framework).
Disaster Recovery	2019/20 - Reasonable 2021/22 - Limited 2023/24 - Deferred		10			Assurance that the Council can recover effectively from a disaster in a timely manner.
Remote Access	2020/21 - Reasonable	No specific strategic risk identified by the Council.	7			Assurance on the new method for remote access to the network.
Network Infrastructure		No specific strategic risk identified by the Council.			15	Scope will be determined at the time of the audit.
Service Desk	2020/21 - Reasonable 2023/24 - Substantial	No specific strategic risk identified by the Council.				Scope will be determined at the time of the audit.
Digital Strategy	New area	No specific strategic risk identified by the Council.		20		Scope will be determined at the time of the audit.
Data Centre	2019/20 Position Statement	No specific strategic risk identified by the Council.		7		Scope will be determined at the time of the audit.
Information management	New area	No specific strategic risk identified by the Council.				Data maturity assessment taking place.
Post-implementation Finance System	2022/23 - Position Statement	No specific strategic risk identified by the Council.				Scope will be determined at the time of the audit.

<b>Audit Area</b>	<b>Last review &amp; assurance</b>	<b>Associated Risk</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Justification</b>
Applications Audit - HR & Payroll system		No specific strategic risk identified by the Council.	10			Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
Applications Audit - Finance system		No specific strategic risk identified by the Council.	10			Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
<b>Follow Up of audit recommendations</b>						
Follow up of agreed audit recommendations			16	16	16	
<b>Total number of days</b>			<b>332</b>	<b>362</b>	<b>224</b>	

**Appendix 4 - Annual Internal Audit Plan 2024/25**

Audit Area	No of days	Q1	Q2	Q3	Q4	Joint	Notes
<b>Governance and Risk</b>							
Annual Governance Statement	10		10			√	Assurance on the new AGS process following the update of the Code of Governance.
<b>Corporate Areas</b>							
Contract Management	15	15				√	Assurance that contracts are being effectively managed and monitored by contract managers.
Counter Fraud and Corruption Framework	15			15		√	Assurance that the Counter Fraud and Corruption Framework is adequate and effective in detecting and preventing fraud.
Administration of the Scheme for others to utilise Levelling Up Funds for Nutrient Positive Schemes and the purchase of credits.	12		12			√	Assurance on the governance and administration of the arrangements for investing in nutrient positive schemes brought forward by parties to enable the purchase of credits by developers.
<b>Fundamental Financial Systems</b>							
Key Controls and Assurance	20				20	√	Annual assurance required for annual opinion
Treasury Management	15	15				√	Assurance on compliance with CIPFA's Prudential Code and Treasury Management Code for investments and borrowing.
Accounts Payable	15			15		√	Assurance on the adequacy and effectiveness, and operation of the controls in place in the account payable cycle.
<b>Housing Benefits &amp; Council Tax</b>							
National Non-Domestic Rates (NDR)	15		15			√	Assurance on the processes for calculating and collecting NDR, including any reliefs awarded taking into account the Non-Domestic Rating (Rate Retention) Regulations 2013.
Housing Benefit and Local Council Tax Support	20			20		√	Assurance that applications are being assessed and actioned in a timely manner, including a review of overpayments, arrears and debt recovery and write offs, discretionary housing payments, reconciliations and the QA process.
<b>Payroll, HR &amp; Organisational Development</b>							
Payroll	15	15				√	Assurance that the controls in place to process the payroll are adequate and effective following the implementation of the new system.
<b>Service Area Audits</b>							
<b>Economic Growth</b>							
Economic Development	15	15				√	Assurance on the projects funded through the UK Shared Prosperity Fund and Rural England Prosperity Fund in terms of spend, progress and outcome achievement.

Audit Area	No of days	Q1	Q2	Q3	Q4	Joint	Notes
Environmental Strategy	10	10					Assurance on progress with achieving strategic objectives and their associated outcomes.
Housing Strategy Affordable Housing	12			12		√	A review of the Council's new documented Housing Strategy and associated plans.
<b>Regulatory Services</b>							
Environmental Protection - Community Protection (covers, ASB & nuisances, and includes community safety and environmental enforcement (fly tipping, littering etc))	12				12	√	Assurance on the Council's processes to meet its statutory duty in relation to nuisances under the Environmental Protection Act 1990, and to deal with ASB taking account of statutory guidance introduced through the 2014 Act.
Environmental Protection - Environmental Quality (covers pollution control (permits), private water supplies (PWS), contaminated land, air quality and flood and water mgmt)	12		12			√	Assurance that the Council's processes for meeting its statutory duties under legislation in relation to PWS, air quality and pollution control and contaminated land are adequate and effective.
<b>Individuals and Families</b>							
Private Sector Housing (private rentals, HMOs, empty homes)	15		15			√	Assurance that the Council is complying with its responsibilities under the Housing Act 2004 for the enforcement of housing conditions in private rentals and the licencing of HMOs, and a review of processes to deal with empty homes.
Warm Homes Programme	15			15		√	A review of this programme as the current round of funding comes to an end looking at whether the programme has made a difference, what the pressures were and whether the Council is with making homes warmer.
Safeguarding and Wellbeing	12				12	√	Assurance on the adequacy and effectiveness of the processes to respond to safeguarding concerns raised.
<b>Planning</b>							
Community Infrastructure Levy (CIL) & S106 agreements	12	12				√	Assurance on the processes regarding the applying for, receipt of and spend of monies in relation to S106 agreements and CIL.
<b>ICT Audits</b>							
Cyber Security	12				12	√	Assurance on progress with the improvements recommended as a result of the Cyber Assessment Framework (Government framework).
Disaster Recovery	10				10	√	Assurance that the Council can recover effectively from a disaster in a timely manner.
Remote Access	7			7		√	Assurance on the new method for remote access to the network.

Audit Area	No of days	Q1	Q2	Q3	Q4	Joint	Notes
Applications Audit - HR & Payroll system	10		10			√	Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
Applications Audit - Finance system	10				10	√	Assurance on the governance of applications (user access and sign on, role set up, Admin role, connections to the network, user account mgmt etc)
<b>Follow Up of audit</b>							
Follow up of agreed internal audit recommendations Broadland and South Norfolk	16	4	4	4	4	√	Bi-monthly follow up of agreed recommendations and evidence of closure verified.
<b>Total number of days</b>	<b>332</b>	<b>86</b>	<b>78</b>	<b>88</b>	<b>80</b>		
<b>Total number of days - South Norfolk</b>	<b>166</b>						

**APPENDIX 5 – ASSURANCE MAP SNC TOP 6 SCORING RISKS**

<b>Risk</b>	<b>First Line Assurance</b>	<b>Second Line Assurance</b>	<b>Third Line Assurance</b>
<p><b>Risk – Nutrients Neutrality advice impacts all planning decisions for overnight accommodations.</b></p> <p><b>Consequence – Potential adverse impact upon the ability to demonstrate delivery of sites in Five Year Land Supply leading to speculative development pressures outside of the affected catchment area.</b></p>	<p>The Council is working on mitigating this risk with local planning authorities. A partnership has been set up to explore the options of a joint venture.</p> <p>Regular updates to members and portfolio holder.</p> <p>Options paper to be presented to Council for decision.</p>	<p>Regular updates on progress to mitigate the nutrient neutrality risk are discussed with Natural England through the partnership.</p> <p>Strategic risk monitored at senior management level and at Committee level.</p> <p>Legal advice is received by the Council on the set up of the joint venture.</p>	<p><b>A position statement is proposed for later in 2023/24 to provide assurance over the set up of and governance arrangements for a joint venture arrangement if this progresses.</b></p>
<p><b>Risk - There is insufficient private and social housing stock to meet the demand on the Council, and temporary accommodation</b></p> <p><b>Consequence - Unable to provide housing which results in blockages within temporary accommodation. This will result in increased costs and poorer outcomes for vulnerable residents.</b></p>	<p>Performance measured; Percentage successful intervention to prevent or relieve homelessness for customers who are homeless or at risk of becoming homeless. In Q3 this measure was in green status.</p> <p>Close monitoring of temporary accommodation budget which is overspent in 2022/23.</p> <p>Team looking viability of purchasing temporary accommodation.</p>	<p>A peer review on Temporary Accommodation has been carried out by Steve Williams in Waste Services regarding Health and Safety. The report has not highlighted any major issues.</p> <p>A best practice group is set up which is attended by staff representatives. Information is also regularly passed on from the LGA.</p>	<p><b>Independent assurance to be provided covering the management arrangements of temporary accommodation with a particular focus on Health and Safety in 2023/24.</b></p>
<p><b>The inability to find Gypsy and Traveller sites to meet the need and enable the Greater Norwich Local Plan to be found sound</b></p> <p><b>Consequence- The local plan will not be found sound which leaves the Council without an adopted local plan and open to speculative development</b></p>	<p>Regular progress updates provided to Cabinet.</p>	<p>Working with Greater Norwich partners to identify appropriate G&amp;T sites.</p> <p>The Council's are working with the Planning Inspectorate to understand how potential sites will be considered through Main Modifications, and the impact this will have on the timetable for adoption of the plan.</p>	<p><b>Planning and Development Management will be reviewed by Internal Audit in 2023/24. An update on local plan consultation arrangements will be provided.</b></p>



Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<p><b>As a consequence of the cost-of-living crisis, there may be a significantly increased demand for Council services</b></p>	<p>Performance measure reported against - Numbers of vulnerable residents supported by our discretionary prevention services. This measure was in green status for Q3 2022/23.</p> <p>Programme manager is in post to manage the council's humanitarian and community response to the cost-of-living crisis.</p>	<p>A report will be taken to Scrutiny Committee in August/September 2023, to outline outcomes/successes/lessons learned from the measures that have been put in place over winter 2022/23 to help residents tackle impacts of cost of living.</p>	<p><b>A review is due to be carried out in 2023/24 to support the September 2023 lessons learned work covering the cost of living interventions over winter 2022/23.</b></p>
<p><b>Capability and capacity does not meet organisational requirements. Consequence - Poor standards of service delivery, service disruption, slow or minimal transformation and inability to meet savings targets as a result. This could also lead to budget underspends if the lack of capacity leads to projects being delayed.</b></p>	<p>Management, Leadership Training and Development in progress.</p> <p>Regular Budget Monitoring.</p> <p>Performance measures regularly reported against for; Percentage of the organisations workforce who are apprentices and graduate entry roles. Retention, staff satisfaction, absence/sickness reporting also produced for CLT and Cabinet.</p>	<p>Independent staff surveys carried out regularly to take temperature of workforce.</p> <p>Local authority benchmarking across the region and wider to ensure pay and benefits on a role specific basis remain comparable and competitive.</p>	<p><b>Bi-annual review of HR and Payroll undertaken. Audit scheduled for 2024/25 covering retention/recruitment practice.</b></p>
<p><b>SNC ONLY Risk – The Council is unable maintain memberships and income levels at its Leisure Centres as a consequence of Covid-19. Consequence – Membership levels decrease. Expenditure levels exceed income levels and the commercial viability of the service decreases.</b></p>	<p>Performance measures are regularly monitored at CLT and Cabinet Level - Number of members across the 4 SNC leisure centres membership sites and Financial leisure recovery plan.</p> <p>Budgeted income regularly reported against.</p>	<p>No second line assurances available.</p>	<p><b>Internal audit review of Leisure being undertaken for 2022/23 covering recovery plan and membership.</b></p>