

**Committee Name: Audit**

**Committee Date: 21/03/2023**

**Report title:** Strategic and Annual Internal Audit Plans 2023/24

**Portfolio:** Cllr Paul Kendrick, Cabinet member for resources

**Report from:** Head of Internal Audit – Norwich City Council

**Wards:** All Wards

**OPEN PUBLIC ITEM**

### **Purpose**

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 Norwich City Council's framework of governance, risk management and control.

### **Recommendation:**

That Audit Committee endorses:

- (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.

### **Policy Framework**

The Council has five corporate aims, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report is relevant for all five corporate aims.

## Report Details

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”.
2. Those standards are set out in the Public Sector Internal Audit Standards (PSIAS) updated 2017.
3. The attached report contains;
  - the Internal Audit Charter, outlining Internal Audit Purpose, Authority, and Responsibilities of Internal Audit;
  - 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.

## Consultation

4. The audit planning approach has been developed through consultation with Heads of Services within the Council, the Council’s Senior Management Team and the Council’s Chief Financial (S151) Officer.

## Implications

### Financial and Resources

5. The Internal Audit plan for 2023/24 will be delivered in accordance with the agreed budget.

## Legal

6. The maintenance of an adequate and effective internal audit service is a statutory requirement. The provision of an audit plan covering the principal risk areas of the Council is an important part of assuring that the Council is achieving value for money.

## Statutory Considerations

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and Diversity	Not applicable for this report.
Health, Social and Economic Impact	Not applicable for this report.
Crime and Disorder	Not applicable for this report.
Children and Adults Safeguarding	Not applicable for this report.
Environmental Impact	Not applicable for this report.

## **Risk Management**

7. The consideration of the Council's Corporate Risk Register is a key element of the audit planning process.

## **Other Options Considered**

8. Not applicable for this report.

## **Reasons for the decision/recommendation**

9. To ensure adequate levels of coverage are provided to enable an opinion to be given on the governance, risk management and control.

## **Background papers:**

None

## **Appendices:**

Appendix 1 Strategic and Annual Internal Audit Plans 2023/24

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Eastern Internal Audit Services



NORWICH CITY COUNCIL

Strategic and Annual Internal Audit Plans 2023/24

Responsible Officer: Head of Internal Audit for Norwich City 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.
- 1.3 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.
- 1.4 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.
- 1.5 In accordance with best practice the Audit 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 periodically reviewed and presented. This Charter is therefore reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to the Section 151 Officer, and the Audit Committee. The Charter is attached 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 the Corporate 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 356 days, encompassing 25 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. Assurance mapping was highlighted as one of the few areas 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 each Heads of Service, the Internal Audit team have been able to map the types of assurance available for the top three scoring corporate level risks 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 three scoring corporate 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 Section 151 and 17 Officers 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 Section 151/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 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 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 data analytics testing. Where systems data is not available to support such testing, 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 is able to respond effectively to the assurance needs of each Authority whilst ensuring that the core team used are sufficiently qualified and experienced.

### 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	2019/20 - Scheme of delegation: Control environment - good, Compliance - substantial.		10		10		
Annual Governance Statement	2022/23 - Substantial					8	
Risk Management	2021/22 - Reasonable		10		10		
Information Security & Data Protection Compliance	2017/18 - Information Security Adequacy of system - good; Compliance - good  2018/19 Information Security and GDPR Control environment - satisfactory; Compliance - limited	Medium Risk - Data Protection Compliance (Adherence to data protection legislation is an important safeguard for data held and used by the council).	12			12	
FOI and Complaints	2022/23 - Reasonable				12		
Business Strategy and Performance Management.	2019/20 - KPIs Control Environment - good, Compliance - satisfactory  2020/21 - Annual Key Policies & Procedures - Limited	High Risk Cost of living (COL) crisis has a negative impact on the city and the council (The cost of living crisis: increases financial, social and health inequalities for Norwich residents; reduces the effectiveness of council services as demand increases; and reduces council income, so further limiting our ability to deliver for the city).		12			This risk will be covered as part of a number of audits in 2023/24 such as accounts receivable in key controls, Council Tax and NNDR and Homlessness to provide assurance that planned mitigations are having the desired impact on the councils ability to manage debt and demand for services.
Programme and Project Management - Future Shape Norwich	2018/19 - Control Environment - good, Compliance - satisfactory			12			
Key Controls and Assurance	2022/23 - TBC		15	15	15	15	
Corporate Health and Safety	2021/22 - Limited	Medium Risk - Health & Safety in the workplace (breach of regulations or H&S incident).		10			Recommendations from the 2021/22 audit will continue to be monitored through to completion.
Counter Fraud and Corruption Arrangements	2022/23 - Reasonable					10	
Procurement and Contract Management	2018/19 - Procurement Compliance - Satisfactory  2019/20 - Contract extensions Control environment - satisfactory; Compliance - good.	High Risk - CORP23 Impact of economic downturn on key council suppliers  Medium Risk - Contract management - governance (ineffective management of contracts leads to poor service delivery).	15		15		

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	2020/21 - Banking reconciliation and cash controls - Substantial 2021/22 - Treasury - Reasonable	Medium risk - Council Funding Medium – Long Term (continued reductions in the Council's sources of funding over the medium term).	16		16		
Accounts Payable	2020/21 - Substantial 2020/21 - Purchase cards - Reasonable			12		12	
Accounts Receivable	2018/19 - Debt Recovery Control environment - good; Compliance - good.  2020/21 - Accounts Receivable - Reasonable		10		10		
Income	Previously included within other areas		10			10	A review of cash management practices will be undertaken in 2023/24.
Payroll and Human Resources (includes officer expenses)	2020/21 - Payroll - Reasonable 2022/23 - Payroll and HR Reasonable			15		15	
Council Tax and National Non-Domestic Rates	2020/21 - Council Tax - Reasonable 2020/21 - National Non-Domestic Rates - Reasonable		15		15		
Housing Benefits and Council Tax Reduction Scheme	2020/21 - Reasonable 2022/23 - TBC			15		15	
Housing Rents and Arrears	2020-21 - Reasonable 2021-22 - Substantial			15		15	

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Service area audits</b>							
<b>Procurement and Legal and Governance</b>							
Elections	2022/23 - Position Statement	Medium Risk - Implementation of the Election Act (In April 2022, the Elections Act received Royal Assent. The timing of implementation is yet to be confirmed but could impact on the operation of the 2023 elections).				10	Assurance provided during 2022/23
Legal Services Arrangements and Insurance	New area			12			
<b>Human Resources and Organisation Development</b>							
Staff Wellbeing	2022/23 - Position Statement						
IR35 Compliance	2021/22 - Reasonable				10		
Performance and Training Needs	Not reviewed recently			10			
<b>Housing Development</b>							
Norwich Regeneration Ltd	2022/23 - Position Statement				12		
Social Housing Delivery	Elements covered during Capital Programme Audit 2021/22			10			
<b>Planning and Regulatory Services</b>							
Business Continuity and Emergency Planning	2017/18 - Business continuity policy and management Adequacy of system - satisfactory; Compliance - Satisfactory	Failure to respond to a critical, business continuity or emergency planning event (unexpected events may occur that either impact the Council directly or require a corporate response across the city area or wider).	10			12	
Planning and Enforcement	2013/14 - Planning Income - Moderate	High Risk - Failure to address Natural England advice on Nutrient Neutrality (NN).		15			Nutrient Neutrality coverage added to 2024/25. Position statement to be provided by EIAS with South Norfolk Council. Planning, planning enforcement to be covered in 2024/25.
Community Infrastructure Levy	Review of CIL income, Apr 2015, substantial.			10			

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
Service area audits							
Planning and Regulatory Services							
Hertiage Buildings at Risk	2022/23 Reasonable					10	
Building Control arrangements	Not reviewed recently				6		
Development Management & Local Plan	Not reviewed recently.	Medium Risk - Failure to be able to draw down £15m of Housing Infrastructure Fund (HIF) money previously secured from Homes England (HE) and under contract to assist with the delivery of Anglia Square leading to failure for successful redevelopment of this key city centre site.		10			Extension of HIF to March 2025. Internal Audit to monitor risk and provide assurance if requested.
Private Sector Housing - HMOs Enforcement.	Not reviewed recently.	Medium Risk - Failure to deliver acceptable levels of performance in regulatory services.	12				Private Sector Housing Enforcment covering damp and mould management to be covered in 2023/24.
Food Health and Safety	2022/23 - Reasonable				12		
Environmental Health - Contaminated Land and Air Quality	2022/23 - TBC					12	
Licensing	2020/21 Reasonable			12			
Property and Economic Development							
Property & Asset Management	2018/19 - Commercial rents Control environment - satisfactory; compliance - satisfactory  2019/20 - Commercial property and Investment Strategy Control environment - good; Compliance - good.			12			
Economic Development inc Towns Fund	2022/23 - TBC (Towns Fund)				10		
Non Housing Capital Programme Management	2021/22 Capital Programme Audit - Limited		12			12	
Housing Needs RTB Strategy	2016/17 Substantial					10	
Development Strategy (commissioning)	New Area				10		



Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Service area audits</b>							
<b>Housing &amp; Housing Delivery</b>							
Housing Compliance - NCSL	No recent review	High Risk - Health and safety and compliance in council homes and buildings (Norwich City Council has identified a series of weaknesses in its management of health and safety compliance in its Council homes and Buildings.)  Medium Risk - Housing regulation (Norwich City Council has self reported its failure in relation to the Consumer Standard for Homes and has received a regulatory supervision notice. The council is required to take action to remedy the breach within an agreed timescale).	20	10	10	10	
Planned Housing Maintenance	2022/23 - Position Statement		10	15			Audit of planned maintenance contracts 2022/23. Review of planned maintenance programme follow up for 2024/25.
Housing Repairs and Void Management - NCSL	Contract mgmt NNBL - 2019-20 (Feb 2020), control environment - limited, compliance - limited.		15			15	
<b>Housing and Community</b>							
Housing Services inc Community Safety and Anti Social Behaviour	Not reviewed recently deferred from 2022/23		12				
Safeguarding	Audit of annual key policies and procedures review - safeguarding policy, 2018-19 (Mar 2019), control env - substantial. 2022/23 - TBC	Medium Risk Failure to fulfil statutory or legislative responsibilities – safeguarding (Norwich City Council has a duty to promote the welfare of and to safeguard all children and vulnerable adults from harm.)			10		Coverage in 2022/23.
Leasehold Management	2016/17 - Leasehold properties Control environment - moderate; compliance - moderate 2022/23 - Reasonable				12		
Housing Needs, Allocations, Homelessness & Housing Register	2013/14 - Homelessness, use of temporary accommodation - Substantial		12			12	
Housing Adaptations	Not reviewed recently			10			
Disabled Facilities Grants & discretionary loans	Not reviewed recently		10			10	

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Service area audits</b>							
<b>Environmental Services</b>							
Waste Management - Contract and NCSL	Contract Management – Waste, Refuse & Recycling service 2020-21 (Jan 21) - limited.  NCSL 2021/22 - Limited  2022/23 - TBC (Garden Waste Service)	Medium risk - The Council's approach to waste and recycling becomes financially, environmentally and contractually unsustainable.	10	15			Audit of Biffa Contract 2023/24. NCSL Environmental Services revisit 2024/25.
Trees and Playground Equipment	2022/23 - TBC				12		
Markets	2014/15 - Provisions Market - Moderate 2022/23 - TBC					12	1/2 FTE on markets. New strategy. CLT. Debt issues. Final notices. Finance supporting collection.
Cemeteries	2015/16 - Moderate				10		
Parking and Civil Enforcement	2015/16 - Substantial		12				Service delivery options being explored. Review to provide assurance over management of project.
<b>Strategy Engagement and Culture</b>							
Sustainable Warmth Grants	New area			15			Assurance to be provided by HOIA 2023/24 on returns to Department Energy Security and Net Zero (DESNZ).
Event Management and Tourism	Not reviewed recently				10		
Environmental Sustainability	New area	High Risk - Equality impacts due to climate change (People affected by inequality are likely to suffer disproportionately more from the adverse effects of climate change and inequality is likely to increase (similar to COVID 19).	10				Position statement covering Councils strategy to be provided 2023/24.
Leisure	2022/23 - Reasonable			12			
Equalities	2020/21 - Limited		10				

Audit Area	Last review & assurance	Associated Risk CRR	2023/24	2024/25	2025/26	2026/27	Internal Audit Coverage 2023/24 Justification
<b>Service area audits</b>							
<b>Customer, IT and Digital</b>							
Customer Contact Team	Not reviewed recently.		12				
Disaster Recovery	2022/23 - TBC				10		
Software Licensing inc Cloud applications	Not reviewed recently			10			Information Governance/Data management. James - Information Governance Team - increase. Apprentice. Data strategy.
Starters, Movers, Leavers	Not reviewed recently		10				
Change Control & Patch Management	Not reviewed recently				10		
Service Desk - Infrastructure				10			
IT Strategy and Governance	2021/22 Substantial					10	
Cyber Security	2020/21 - Cyber Security - Reasonable 2022/23 - TBC	Medium Risk - Cyber Security (Cyber risk is the likelihood of suffering negative disruptions to sensitive data, finances, or council operations. Common cyber risks are ransomware, phishing, malware, data leak, insider threat, supply chain and nation state cyber attack and all are associated with events that could result in a data breach.)			12		Audit coverage in 2022/23 plan.
Application Audits	2019/20 - e5 finance system IT controls Control environment - satisfactory; compliance - satisfactory  2020/21 - Northgate pre-implementation (Core Phase) - Reasonable  2022/23 - Housing System Implementation Phase 2 - TBC		10	10	10	10	
<b>Follow Up of audit recommendations</b>							
All audit recommendations			16	16	16	16	
<b>Internal Audit Management</b>							
Audit Committee attendance, reporting, quality assurance, contract management, advice and guidance.			40	40	40	40	
<b>Total number of days</b>			<b>356</b>	<b>360</b>	<b>325</b>	<b>313</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	10				10	Assurance is typically provided on corporate governance every other year to support the Internal Audit Opinion. The Corporate Governance audit for 2023/24 will provide assurance that decision making is carried out in accordance with the Councils' Constitution and that Cabinet and the supporting committees are functioning adequately in line with their agreed terms of reference.
Risk Management	10			10		A risk maturity assessment was undertaken in 2021/22 raising a number of opportunities to enhance risk maturity at the Council. This review will follow up the recommendations raised from this review and provide assurance that the risk management policy is followed consistently throughout the council.
Information Security and Data Protection Compliance	12		12			A corporate level risk has been raised covering adherence to data protection legislation. This audit will provide assurance on the management of compliance with the councils framework including the reporting and investigation of breaches and information retention arrangements.
Key Controls and Assurance	15				15	This is an annual review of key controls and feeds into the Statement of Accounts. This audit covers; accounts payable, accounts receivable, asset management, treasury management, general ledger, control accounts, budget control, cash income, payroll, and the assurance framework. For those systems not subject to a full audit review within the year, additional coverage will be required.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Annual Opinion / Governance audits</b>						
Procurement and Contract Management	15		15			<p>This audit was deferred from the 2022/23 plan. Two corporate level risks have been raised in this area; the first relating to the Impact of economic downturn on key council suppliers and the second relating to the ineffective management of contracts leading to poor service delivery.</p> <p>An audit of the Councils procurement strategy and level of compliance with Contract Procedure Rules will therefore be undertaken. In addition a sample of contracts will be taken to provide assurance confirming contract terms are being well monitored and managed.</p>
<b>Fundamental Financial Systems</b>						
Accountancy Services	16			16		<p>These key financial systems feed into the Head of Internal Audit Opinion and Statement of Accounts and require regular review to confirm the adequacy and effectiveness of controls. Where reviews are undertaken in earlier quarters, top up testing will be completed if required in the key controls audit to provide adequate coverage. Accounts receivable coverage in 2023/24 will be focused on corporate debt management.</p>
Accounts Receivables	10		10			
Income - cash and bank	10		10			
Council Tax and NNDR	15			15		

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Planning and Regulatory Services</b>						
Business Continuity and Emergency Planning	10				10	A corporate level risk has been raised regarding a failure to respond adequately to unexpected events. An audit will be undertaken to provide assurance over the Council's preparedness for an emergency incident as a Category 1 responder. The audit will focus on scenario planning, emergency response plans, stakeholder engagement and provide assurance that requirements of the Civil Contingencies Act 2004 can be met.
Private Sector Housing Enforcement	12	12				A corporate level risk has been raised covering a failure to deliver acceptable levels of performance in regulatory services. A review of private sector enforcement will be undertaken particularly covering the councils commitments for enhancing housing conditions locally and risks relating to damp and mould and health and safety. The audit will review the extent of the councils proactive work in this area and its use of statutory improvement notices and civil penalties.
<b>Property and Economic Development</b>						
Non Housing Capital Programme Management	12				12	A review of capital programme management was undertaken in 2021/22 and given a limited assurance grading. The councils approach to managing the capital programme has been revised considerably. This audit will provide assurance on the management of the progress and budgets of significant non housing capital projects.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Housing Assets</b>						
Housing Compliance	20			20		Two corporate level risks have been raised in regarding the management of health and safety in housing. The Council has been working with the regulator for social housing on an improvement plan following self referral. An independent audit has been commissioned in two phases to provide independent assurance on progress. This audit will provide assurance that compliance is sustained following this work and will provide an update on progress against any actions identified during phase 1&2 work.
Planned Maintenance	10	10				A position statement was carried out covering the councils approach to developing a revised housing asset management plan. This audit will provide assurance that CSO's have been adequately followed for a sample of planned maintenance programme contracts.
Housing Repairs and Void Management - NCSL	15			15		NCSL Voids and repairs and maintenance arrangements have not yet been audited. This area exposes the council to significant reputational risk and regulatory interest. This audit will provide assurance on the data integrity of performance information and confirm adequate arrangements are in place to support reporting.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Housing Delivery</b>						
Anti Social Behaviour	12	12				This audit was deferred from the 2022/23 audit plan. This area has not been reviewed recently. This review will evaluate the effectiveness of the councils strategy for managing ASB complaints.
Housing Needs, Allocations, Homelessness & Housing Register	12			12		The cost of living crisis is anticipated to expose the council to an increase in demand for this service. A corporate level risk has been raised covering this. This audit will provide assurance that the council is managing its homelessness obligations effectively, that performance information is robust and will review the councils approach to managing the housing register.
Disabled Facilities Grants (DFG)	10		10			A detailed review of the management of the DFG grant will be undertaken covering the timeliness of assessment, approval, delivery and reporting of cases. Management of the grant budget will also be assessed.
<b>Environmental Services</b>						
Waste Management - Biffa Contract	10				10	A corporate level risk has been raised in relation to the Council's approach to waste and recycling becoming financially, environmentally and contractually unsustainable. The audit will evaluate the management of the Biffa contract and provide assurance on the robustness of performance information to monitor the impact of the identified risk.
Parking and Civil Enforcement	12		12			This area has not been audited recently. Service delivery options are currently being explored. An audit will be undertaken to provide assurance over management of this project.



Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Strategy Engagement and Culture</b>						
Environmental Sustainability	10		10			A corporate level risk has been raised covering the adverse effects of climate change and likely increase of inequality as a result. This area has not been covered at the council before. A position statement will be undertaken to evaluate the Councils approach to environmental sustainability and will cover reporting of progress against the agreed environmental strategy.
Equalities	10			10		A limited assurance grading was given by Internal Audit in this area in 2020/21. The corporate risk register highlights that people affected by inequality are likely to suffer disproportionately more from the adverse effects of climate change and inequality is likely to increase. The councils approach to environmental sustainability will be covered in quarter two. Our review of equalities will evaluate the adequacy of the councils policy demonstrating compliance with the Equalities Act 2010 and provide assurance that the council is being proactive in its approach to tackling inequality for residents and staff.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Customer IT and Digital</b>						
Customer Contact Team	12				12	A corporate level risk has been raised in relation to the cost of living crisis impacting the demand for council services of which the customer contact team is impacted. This audit will provide assurance that the team is able to respond to an increase in demand, that customer calls are dealt with in accordance with the councils documented expectations and that there is a culture of continuous improvement embedded in processes.
Starters Movers Leavers	10	10				A corporate level risk has been raised relating to cyber security and highlights insider threat as a risk. The starters movers process has not been reviewed recently. This audit will evaluate whether the IT department is given information in a timely manner to enable them to add, remove or update staff access to council systems.
Application Audit	10			10		A Customer Relationship Management (CRM) system is due to be implemented in April 2023 with full functionality expected by October 2023. Our audit will provide post project assurance and evaluate whether the expected benefits are materialising.
<b>Follow Up of audit recommendations</b>						
All audit recommendations	16	4	4	4	4	Bi-monthly follow up of agreed audit recommendations
<b>Internal Audit Management Days including consultancy</b>						
Audit Committee attendance, reporting, quality assurance, contract management, advice and guidance.	40	10	10	10	10	
<b>Total number of days</b>	<b>356</b>	<b>58</b>	<b>93</b>	<b>122</b>	<b>83</b>	

## APPENDIX 5 – NORWICH CITY COUNCIL ASSURANCE MAP TOP 3 SCORING RISKS 2023/24

Risk	First Line Assurance	Second Line Assurance	Third Line Assurance
<b>Risk CORP14 - Non compliance with Health and Safety requirements in Council Homes and Buildings resulting in serious detriment to tenants and Social Housing Regulator enforcement action.</b>	Regular reporting to Cabinet on performance in relation to dwellings with compliant gas safety certificate. Performance relating to Health and Safety safety requirements such as Fire Safety Assessments, electrical safety reported at management level.	Senior management regularly liaises with the social housing regulator on progress of recovery plan following self referral of non compliance.  Independent 3rd party review has been carried out by Campbell Tickell on Phase 1 of the compliance recovery plan. Phase two is scheduled for Q2 2023/24.	<b>Internal audit review planned for Quarter 3 2023/24 to provide assurance over sustained and improved performance in housing compliance.</b>
<b>Risk CORP20 - Cost of Living Crisis increases financial social and health inequalities for Norwich residents, increasing demand for services.</b>	Regular reporting at Cabinet level covering work undertaken by the Council and various key performance indicators covering housing and information regarding income and debt levels.  Cross council officer working group continues to look for opportunities for solutions.	Strategic risk and mitigation progress monitored at senior management level at Cabinet and Audit Committee level.	<b>An audit of housing needs, housing register and homelessness is planned for 2023/24. In addition, Council Tax and NNDR collection rates will be covered during our review of this area and debt management as part of key controls in 2023/24.</b>
<b>Risk CORP18 - Failing to address Natural England advice on Nutrient Neutrality - resulting in a sustained period of time when planning applications cannot be progressed.</b>	Short term mitigation actions have been designed.  The Council is working on longer term larger scale mitigation with local planning authorities. A partnership has been set up to explore the options of a joint venture.  Regular updates to members and portfolio holder.  Options paper to be presented to Council for decision.	Regular updates on progress to mitigate the nutrient neutrality risk are discussed with Natural England through the partnership.  Strategic risk and mitigation progress monitored at senior management level at Cabinet and Audit Committee level.	<b>EIAS will work with Director of Place at South Norfolk Council to provide a position statement in 2023/24 covering joint venture set up and governance arrangements. Observations will be provided to the Council and Audit Committee.</b>