Committee name: Audit

Committee date: 24/09/2025

Report title: Annual Report of the Audit Committee 2024-2025

Portfolio: N/A Choose an item.

Report from: Head of legal and governance

Wards: All Wards

OPEN PUBLIC ITEM

Purpose

This report presents the draft Annual Report of the Audit Committee 2024-25 to the Committee for comment.

Recommendation:

(1) That the Committee approves the content of the Annual Report of the Audit Committee 2024-25 and recommends it to Council for adoption.

(2) That the Committee agrees to complete a Self-Assessment.

(3) That the Committee approves for officers to resume the process of appointing a second Independent Member to the Committee, as recommended in the CIPFA Position Statement.

Policy framework

The Council has five corporate priorities, which are:

- An open and modern Council.
- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.

This report meets the open and modern Council corporate priority.

Report details

1. On 11 March 2014, the Audit Committee resolved to approve new procedures for the Audit Committee in line with CIPFA guidance. In line with best practice, the Committee agreed to produce an annual report for Council.

2. The report provides an opportunity for Members of the Committee to consider and comment on the report before it is presented to full Council in November.

3. The report has been prepared in accordance with the CIPA Audit Committees – Practical Guidance for Local Authorities and Police (2022 edition) position statement.

4. The report sets out the work of the Audit Committee over the last civic year, as set out in the Committee's terms of reference.

Consultation

5. This report is subject to approval by the Audit Committee.

Implications

Financial and resources

6. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its community-led plan "We are Norwich" and budget.

7. There are no proposals in this report that would reduce or increase resources.

Legal

8. The annual report of the Committee is considered to be best practice and is reflected in the Council's Constitution.

Statutory considerations

Consideration	**Details of any implications and proposed measures to address:**
Equality and diversity	None
Reducing Inequality Target Areas (RITAs)	None
Health, social and economic impact	None
Crime and disorder	None

Consideration	Details of any implications and proposed measures to address:
Children and adults safeguarding	None
Environmental impact	None

Risk management

Risk	Consequence	Controls required
Include operational, financial, compliance, security, legal, political, or reputational risks to the council	There is a risk that, without the publication of an Annual Report, the Audit Committee does not fully comply with their terms of reference, as set out in the Council's Constitution and best practice, thus limiting its effectiveness.	The Audit Committee should produce an Annual Report to comply with their terms of reference, as set out in the Council's Constitution, and minimize risks surrounding governance and enhancing the effectiveness of the Committee.

Other options considered

9. This report is for information and consolidates information set out in the minutes of the Audit Committee meetings held during the 2024/25 Civic Year.

Reasons for the decision/recommendation

10. To provide an annual report to Council.

Background papers: None

Appendices: Annual Report of the Audit Committee 2024-2025

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NORWICH
City Council

Annual Report of the Audit Committee 2023-24

This is the annual report of the Audit Committee and advises the Council of the work of the committee for the period of the 2024-25 Civic Year.

Introduction

1. This report covers the work of the Audit Committee for the civic year 2024-25. This report purports to adhere to the guidance set out in the CIPFA Audit Committees – Practical Guidance for Local Authorities and Police (2022 edition), to produce annual reports that demonstrate how the Committee aligns with recommended practice and follows the CIPFA Position Statement 2022.

2. The Committee has agreed that its annual report should include:

   (a) Compliance with the CIPFA Position Statement 2022.

   (b) Results of the annual evaluation, development work undertaken and planned improvements.

   (c) How it has fulfilled its terms of reference, and the key issues escalated in the year.

3. The Committee Membership for the Civic Year 2024-25 was as follows:

   Councillor Ben Price (Chair)

   Councillor Keith Driver (Vice-Chair)

   Councillor Toby Bolton

   Councillor Jess Carrington

   Councillor Hannah Hoechner

   Councillor Mike Sands

   Councillor James Wright

   David Harwood (Independent Member)

Section A: Compliance with CIPFA Position Statement 2022

4. The CIPFA Position Statement 2022 represents CIPFA's view on Audit Committee best practice and principles that local government bodies in the UK should adopt to provide effective audit committee arrangements and meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting, and internal audit.

5. CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective Audit Committee arrangements.

6. This section of the report sets out our assessment against current compliance with the CIPFA Position Statement 2022.

The Purpose of the Audit Committee

7. Audit Committees are a key component of an authority's governance framework. According to the CIPFA Position Statement, their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

8. The CIPFA Position Statement outlines that in a local authority the full Council is the body charged with governance. The Audit Committee may be delegated some governance responsibilities but will be accountable to full Council. The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Independent and Effective Model

9. According to the CIPFA Position Statement, the audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

CIPFA Position Statement	Norwich City Council's Position
The Committee should: • Be directly accountable to the authority's governing body. • In local authorities, be independent of both the executive and the scrutiny functions. • Have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups. • Have rights to request reports and seek assurances from	• The Audit Committee is authorised by the Council to approve the annual statement of accounts, including subsequent amendments on behalf of the Council. • The Audit Committee is independent, with its roles and functions set out in the Council's Constitution. • The Council's Constitution, Part 4: Codes and Protocols, Access to Information Rules sets out Members rights to access information. • The Committee has the right to request additional reports to provide assurance and request the attendance of

relevant officers. • Be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided. The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.	officers at meetings. • The Council's Constitution sets out that the Audit Committee shall comprise of 8 Members. • The Audit Committee has one Independent Member.

Core Functions

10. According to the CIPFA Position Statement, the core functions of the Audit Committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. The specific responsibilities are outlined below:

CIPFA Position Statement	Norwich City Council's Position
Maintenance of governance, risk and control arrangements • Support a comprehensive understanding of governance across the organization and among all those charged with governance, fulfilling the principles of good governance. • Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organization and seek assurance that active arrangements are in place on risk-related issues, for both	• The Committee reviews the effectiveness of internal control across the Council through its receipt of the Annual Governance Statement and associated action plan, the Code of Corporate Governance, Risk Management reports and the reports of internal audit and external audit. • In March 2021, the Council's Constitution formalised the Committee's request to receive a report on the Council's risk management policy, strategy and register twice a

the body and its collaborative arrangements. • Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.	year. This provides the Committee with assurance about the risk appetite of the Council and an opportunity to ask questions on the application of scores to risks and raise concerns that the Committee may have. • Cabinet receives the risk register as part of its quarterly Corporate Assurance Reports. The Audit Committee's responsibilities differ from that of Cabinet members, who are owners of the risk register. Members of the Audit Committee have an oversight capacity to provide assurance on the governance of risks. To do this, the Committee needs to be up to date with the Council's risk profile and review the effectiveness of risk management options taken and to support good risk management practice. Members of the Committee are aware that the risk register is monitored by each directorate and the Executive Leadership Team and the process for escalating risks. • The Head of Internal Audit's Annual Opinion on the control environment is considered by the Committee.
Financial and governance reporting • Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives. • Support the maintenance of effective arrangements for financial reporting and review the statutory statements of accounts and any reports that accompany them.	• The AGS is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) framework. The review of the Code of Corporate Governance is an important part of this process. • The committee agrees the AGS, which is signed by the Leader of the Council and the Chief Executive, at the time that the audited accounts are approved by the committee. • The committee reviews the unaudited Statement of Accounts and Annual Governance Statement.
Establishing appropriate and effective arrangements for audit and assurance	• The committee agrees the Internal Audit Plan and monitors progress against plan at quarterly meetings and reviews the recommendations arising from internal audit

• Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities. • In relation to the authority's internal audit functions: A) Oversee its independence, objectivity, performance and conformance to professional standards. B) Support effective arrangements for internal audit. C) Promote the effective use of internal audit within the assurance framework. • Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit. • Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality. • Support effective relationships between providers of assurance, audit and inspections and the organisation, encouraging openness to challenge, review and accountability.	reviews. • The committee receives an annual audit opinion from the Head of Internal Audit. • The Committee considers reports from External Audit. • The Audit Committee was consulted on the arrangements for the procurement and appointment of the External Auditors and appraised of the national position relating to external audits of local authorities. The External Auditors are invited and attend meetings of the committee. • This can be evidenced from the minutes of the Audit Committee which demonstrate the breadth of discussion and engagements by committee members and officers.

Audit Committee Membership

11. According to the CIPFA Position Statement, to provide the level of expertise and understanding required of the Committee, and to have an appropriate level of influence within the authority, the Members of the Committee need to be of high calibre. When selecting elected representatives to be on the Committee or when co-opting Independent Members, aptitude should be considered alongside relevant knowledge, skills and experience.

CIPFA Position Statement	Norwich City Council's Position
Characteristics of Audit Committee membership: • A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach and are knowledgeable. • A membership that promotes good governance principles, identifying ways that better governance arrangements can achieve the organisation's objectives. • A strong, independently minded chair, displaying a depth of knowledge, skills and interest. There are many personal skills needed to be an effective chair, but key to these are: A) Promoting apolitical open discussion. B) Managing meetings to cover all business and encouraging a candid approach from all participants. C) Maintaining the focus of the Committee on matters of greatest priority. • Willingness to operate in an apolitical manner. • Unbiased attitudes – treating auditors, the executive and management fairly. • The ability to challenge the executive and senior managers when required. • Knowledge, expertise and interest in the work of the committee. • While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance. • The appointment of co-opted independent members on	• The Committee comprises of up to 8 Members, as per the Council's Constitution, and an Independent Member. • The Committee regularly conducts a skills audit to ensure that the membership has the necessary skills available and provide opportunities for development. • The Committee undertakes training and briefing sessions. • The knowledge, interest, skills and independent approach of the Committee can be evidenced through the minutes of the Audit Committee. This demonstrates the breadth of discussion and challenge where appropriate and engagement by Committee Members and officers. • The Chair of the Committee for the 2024-25 Civic Year was Councillor Price. Councillor Price chaired the Committee from 2016. He attended the Chairs of Audit Committees Eastern Region and took every opportunity to attend internal and external training. • The Committee has one Independent Member. To align with the CIPFA Position Statement, the Committee should appoint a second Independent Member. In addition, co-opted Members should have a term of office of 2 plus 2 years. This should ensure a risk of overfamiliarity is avoided and follow best practice.

the committee should consider the overall knowledge and expertise of the existing members	

Engagement and Outputs

12. The CIPFA Position Statement states that the Audit Committee should be established and supported to enable it to address the full range of responsibilities within its Terms of Reference and generate planned outputs.

CIPFA Position Statement	Norwich City Council's Position
To discharge its responsibilities effectively, the Committee should: • Meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in private. • Be able to meet privately and separately with the external auditor and with the head of internal audit. • Include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required. • Have the right to call on any other officers or agencies of the authority as required. • Support transparency, reporting regularly on its work to those charged with governance. • Report annually on how the committee has complied with the position statement , discharged its responsibilities and include an assessment of its performance. The report	• There were 5 meetings of the Committee during the 2024/25 Civic Year. These took place on the following dates: 17 July 2024 17 September 2024 22 October 2024 24 February 2025 13 May 2025 • The Committee met informally with External Audit and the Head of Internal Audit in October 2024. • In 2024/25, the Committee was supported by the following key officers: The Head of Legal and Governance. The Interim Chief Finance Officer (S151 Officer) The Executive Director of Resources The Head of Finance The Head of Internal Audit The External Auditor, Ernst & Young • The Chief Executive and members of ELT and Heads of Service also attend meetings as required. • The Committee produces an annual report which is

should be available to the public.	received at full Council.

Impact

13. As a non-executive body, the influence of the Audit Committee depends not only on the effective performance of its role, but also on its engagement with eh leadership team and those charged with governance. The CIPFA Position Statement states that the Committee should evaluate its impact and identify areas for improvement.

CIPFA Position Statement	Norwich City Council's Position
• The Committee should evaluate it's impact and identify areas for improvement.	• The Committee have completed a self-assessment exercise annually for three years. The most recent assessment, completed in 2024, is included in Section B. Another self-assessment exercise should be completed in the 2025-26 Civic Year.

Section B: Results of the annual evaluation, development work undertaken and planned improvements

14. The Chartered Institute for Public Finance and Accountancy (CIPFA) document on “Audit committees – practical guidance for local authorities and police 2022” sets out the guidance on the function and operation of audit committees. It represents CIPFA’s view of best practice. The guidance states the purpose of an audit committee “is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.”

15. In 2022 CIPFA updated its advice and guidance for Local Authority Audit Committee’s and a new Audit Committee self-assessment template is now available.

16. Good audit committees are characterised by; objective, independent knowledgeable and properly trained members, a membership that promotes good governance principles, a strong, independently minded chair, an unbiased attitude, the ability to challenge when required.

17. It is good practice for Audit Committee members to review their knowledge and skills – for example, as part of an annual self-assessment process or training needs analysis.

18. In addition, the Public Sector Internal Audit Standards also call for the Audit Committee to assess their remit and effectiveness, in relation to Purpose, Authority and Responsibility, to facilitate the work of this Committee.

19. The guidance provides two tools against which the Committee can assess itself. The first, ‘Self-assessment of good practice’ support an assessment against recommended practice to inform and support the Committee under the areas of ‘purpose and governance’, functions of the Audit Committee’, ‘membership and support’, and ‘effectiveness of the committee’. Scores of 0-5, does not comply / major improvement to fully complies / no further improvement are the available options for the questions.

20. The Committee completed a self-assessment in 2024, which is included below. An action plan was developed as a result of the self-assessment, which is also included below.

21. Members are asked to agree to complete a further self-assessment in the 2025/26 Civic Year.

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**

	Audit committee purpose and governance					
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?					5
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					5
3	Has the committee maintained its advisory role by not taking on any decision-making powers?				3	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA’s 2022 Position Statement?	0				
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				3	
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7	Does the governing body hold the audit committee to account for its performance at least annually?					5

'Self-assessment of good practice' (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:					
	• Compliance with the CIPFA Position Statement 2022				3	
	• Results of the annual evaluation, development work undertaken and planned improvements				3	
	• How it has fulfilled its terms of reference and the key issues escalated in the year?				3	
Functions of the committee						
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
	Governance arrangements			2		
	Risk management arrangements			2		
	Internal control arrangements, including: • Financial management			2		

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**
	• Value for money • Ethics and standards • Counter fraud and corruption					
	Annual governance statement				3	
	Financial reporting				3	
	Assurance framework		1			
	Internal audit				3	
	External audit				3	
10	Over the last year, has adequate consideration been given to all core areas?				3	
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?					5
12	Has the committee met privately with the external auditors and head of internal audit in the last year?		1			
Membership and support						

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**

13	Has the committee been established in accordance with the 2022 guidance as follows?					
	• Separation from executive					5
	• A size that is not unwieldy and avoids use of substitutes				3	
	• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA’s recommendation					5
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?				3	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?					5
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?				3	

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				3	
18	Is adequate secretariat and administrative support provided to the committee?					5
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
Effectiveness of the committee						
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?		1			
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22	Are meetings effective with a good level of discussion and engagement from all the members?					5
23	Has the committee maintained a non-political approach to discussions throughout?					5

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	**0**	**1**	**2**	**3**	**5**
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					5
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5
26	Do audit committee recommendations have traction with those in leadership roles?					5
27	Has the committee evaluated whether and how it is adding value to the organisation?				3	
28	Does the committee have an action plan to improve any areas of weakness?					5
29	Has this assessment been undertaken collaboratively with the audit committee members?				3	
	Total score					
Maximum possible score						**142/200**

‘Self-assessment of good practice’ (CIPFA – Practical Guidance for LAs and Police 2022) – Completed in 2024

	Good Practice Questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5

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

Audit Committee Self-Assessment Action Plan

ACTION	OWNER	STATUS	WRITTEN UPDATE
1. For the next annual report of the Audit Committee ensure the following are included: - • Compliance with the CIPFA Position Statement 2022 • Results of the annual evaluation, development work undertaken and planned improvements • How it has fulfilled its terms of reference and the key issues escalated in the year. (Q8)	Jan Robinson, Head of Legal and Governance (Monitoring Officer) Alexandra Cosme, Senior Committee Officer	Completed	The 24/25 Audit Committee Annual Report will go to the Committee on 23 September 2025. The 3 points will be addressed.
2. Update the Audit Committee's terms of reference to explicitly address all the core areas identified in CIPFA's Position Statement. (Q9)	Jan Robinson, Head of Legal and Governance (Monitoring Officer) Alexandra Cosme, Senior Committee Officer	Ongoing	Democratic Services are currently reviewing the constitution procedural rules and committee terms of reference. The Senior Committee Officer will draft an updated terms of reference to address all core areas in CIPFA's Position Statement. Terms of Reference is on the work programme as TBC. This will come back to the Committee to review once complete.
3. Ensure that Audit Committee's agenda covers all of the core areas in its terms of reference over the year. (Q10)	Jan Robinson, Head of Legal and Governance (Monitoring Officer) Alistair Rush, Interim Chief Finance Officer (S151 Officer)	Ongoing	The 24/25 Work Programme has been drafted, bearing in mind the committee's terms of reference and statutory and recurring items. The committee review and approve the work programme at each meeting so there

	Chair and members of the Committee		is ample opportunity to ensure the programme covers its terms of reference. The Chair is regularly briefed on the Committee agenda.
4. Audit Committee to meet privately with the external auditors and head of internal audit each year. (Q12)	Audit Chair and audit Committee members	Ongoing	This was completed prior to the October 2024 and needs to be completed again within 1 year. This is listed as TBC on the Committee's work programme. The Senior Committee Officer will liaise with External Auditors and Head of Internal Audit to schedule a meeting with the Committee around October 2025.
5. Audit Committee to consider whether the use of substitutes should continue. (Q13)	Jan Robinson, Head of Legal and Governance (Monitoring Officer)	Ongoing	Democratic Services are currently reviewing the constitution procedural rules and committee terms of reference and this will form part of the review.
6. Audit Committee members to undertake an evaluation of their knowledge, skills and training needs every two years. (Q15)	Teresa Sharman, Head of Internal Audit	Ongoing	The survey was circulated to members in August 2024 and a reminder sent in December 2024. 3 members of the Committee responded. Now that there are several new members to the Committee, officers suggest circulating the form again and reporting the results at a future meeting. See recommendation.
7. As a result of the evaluation in 7 above, arrange training to address training needs of Audit Committee Members. (Q16)	Jan Robinson, Head of Legal and Governance (Monitoring Officer)	Ongoing	The Head of Legal and Governance and Senior Committee Officer are reviewing training opportunities and providers. Training will be scheduled to meet the Committee's needs. Officers have fed in on this – including highlighting the need for Statement of Accounts training (toward the

			end of the calendar year) and potentially training on Global Internal Audit Standards.
8. As a result of 7 above, if training cannot address any skills or knowledge gaps to a satisfactory level, consider revising the membership of the Audit Committee to address this. (Q14 & Q17)	Jan Robinson, Head of Legal and Governance (Monitoring Officer) in consultation with the Chair and Group Leaders	Not started	2025/26 if necessary
9. Obtain feedback on Audit Committee's performance from those interacting with the committee or relying on its work. (Q20)	Jan Robinson, Head of Legal and Governance (Monitoring Officer)	Not started	
10. Evaluate whether and how the Audit Committee is adding value to the Council by completing the 2nd CIPFA assessment tool, 'evaluating effectiveness of the audit committee' (Q27)	Teresa Sharman, Head of Internal Audit to facilitate a session	Not started	March 2026 meeting
11. Review results of Self-Assessment of Good Practice exercise at a committee meeting. (Q29)	Is on the agenda	Complete	Completed. Was completed at March 2024 meeting.
12. Ensure all Members participate in the 2nd CIPFA assessment tool, 'evaluating effectiveness of the audit committee' exercise. (Q29)	Audit Chair	Not started	Will take place when the exercise is scheduled

Section C: How the Committee has fulfilled its Terms of Reference and Key Issues Escalated in the Year

22. The Audit Committee met 5 times in the 2024-25 Civic Year.

- 17 July 2024
- 17 September 2024
- 22 October 2024
- 24 February 2025
- 13 May 2025

23. All meetings in the Civic Year were attended by the Cabinet Member for an Modern and Open Council (previously Resources). Meetings were frequently attended by the following officers:

- The Head of Legal and Governance.
- The Interim Chief Finance Officer (S151 Officer)
- The Executive Director of Resources
- The Head of Finance
- The Head of Internal Audit
- The External Auditor, Ernst & Young

24. The Audit Committee's Terms of Reference are outlined in the Constitution, Part 2, Terms of Reference of Committees and Boards. This section of the report demonstrates how the Committee has fulfilled its Terms of Reference throughout the 2024-25 Civic Year.

Corporate Governance

Review the effectiveness of internal control across the Council and the adequacy of actions taken to address any weaknesses or control failures.

25. The Committee reviews the effectiveness of internal control across the Council through its receipt of the Annual Governance Statement and associated action plan, the Code of Corporate Governance, Risk Management reports and the reports of Internal Audit and External Audit.

26. Throughout the 2024/25 Civic Year, the Committee received the following reports which enabled them to fulfil this term of reference, including quarterly progress reports on Internal Audit Activity:

17 July 2024

- External Audit Value For Money Interim Report 21-22 and 22-23.
- Annual External Audit Plan 2023-24.

17 September 2024

- Annual Governance Statement 23-24.
- Internal Audit Annual Report and Opinion 23-24.

24 February 2025

- Corporate Risk Register 23-24 Quarter 3

13 May 2025

- External Auditor's Annual Report YE March 2024.
- Annual External Audit Plan 24-25.
- Internal Audit Plan 2025-26, Charter and Mandate.

Consider the adequacy and effectiveness of the Council's arrangements for the identification and management of the organisation's business risks; including the risk management policy, strategy and risk management register.

Receive and consider regular reports at least twice a year on the risk environment, corporate risk register and associated management actions.

27. The Committee considered the Corporate Risk Register at its meeting on 24 February 2025. Going into the 2025/26 Civic Year, the Corporate Risk Register has been scheduled on the Work Programme to go to Committee on a quarterly basis as per the Committee's requests for greater oversight and assurance.

Review and ensure the adequacy of the council's anti-fraud and corruption policy and strategy and the effectiveness of their application.

Review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption.

29. Whilst these policies did not form part of the 24-25 Work Programme, the Anti-Fraud and Corruption, Whistleblowing and Anti-Money Laundering Policies were reviewed by the Committee at the start of the 2025-26 Civic Year on 17 June 2025.

Review, consider and agree the Annual Governance Statement, including the adequacy of the corporate governance framework and improvement action plan contained within it.

30. The Accounts and Audit Regulations 2015 requires the Council to produce an Annual Governance Statement (AGS). It summarises the extent to which the council complies with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead. It provides a public facing statement on how well the council has delivered on governance over the course of the previous year and accompanies the Statement of Accounts (SoA).

31. The committee considered the draft AGS at its meeting on 17 September 2024, alongside the Statement of Accounts. The Statement of Accounts were also considered at Committee on 22 October 2024. This included:

- Statement of Accounts 2021-22.
- Statement of Accounts 2022-23.
- Statement of Accounts 2023-24.

32. On 17 September 2024, the Head of Internal Audit presented the Internal Audit Annual Report and Opinion 2023-24. The report have a 'reasonable' audit opinion in relation to the framework of governance, risk management and control for the year.

Receive periodic updates on improvement actions taken.

33. The work of internal audit is reported quarterly to the Committee throughout the year. The reports contain updates on any overdue recommendations with a management response and new implementation dates, going forward.

34. In the 2024/25 Civic Year, the Committee received progress updates at the following meetings:

- 17 July 2024.
- 22 October 2024.
- 24 February 2025.
- 13 May 2025.

Internal and External Audit

Approve the internal audit charter.

35. The committee approved the Internal Audit Plan 2025-26, Charter and Mandate at the meeting on 13 May 2025.

36. The Charter is a mandatory document which sets out how Eastern Internal Audit Services (EIAS) will deliver internal audit services to the council, and outlines

the internal audit purpose, authority, and responsibilities of the internal auditors. The committee approves the Internal Audit Charter annually.

Approve and monitor delivery of the internal audit strategy.

37. 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".

38. The strategy 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 strategy includes the annual internal audit work plan, and long-term plan, to provide a rolling programme.

39. In March 2024, the Committee approved the Internal Audit Strategy and Strategic Internal Audit Plans 2024/25 to 2026/27. The Annual Internal Audit Plan, Charter and Mandate was approved by the Committee on 13 May 2025.

Consider, endorse and monitor delivery of the internal audit annual work programme, including any significant in-year changes to the programme or resource requirements.

40. The Committee monitors the delivery of the Internal Audit Plan through quarterly progress reports. The progress of the plan is also overseen by the Head of Internal Audit and the S151, and considered by the executive leadership team and heads of service.

Ensure adequate resourcing of the internal audit function, approving any significant additional consulting services requested from internal audit not already included in the internal audit annual work programme.

41. The Head of Internal Audit presents any changes to the agreed internal audit work plan to the committee as part of the quarterly progress reports. At the meeting on 13 May 2025, the Head of Internal Audit explained a new approach to planning in 2025-26, which would move away from cyclical audits, increase focus on the Council's risks and priorities and improve connections. The plan would be more dynamic and flexible and would be reviewed every quarter. The new model was agreed with the Assurance Board and a workshop session was held with them to develop the plan.

Receive and consider the annual internal audit report and opinion on behalf of the council.

42. The committee received the Internal Audit Annual Report and Opinion 2023/24 at its meeting on 17 September 2024.

43. The level of assurance provided by the Head of Internal Audit was ‘reasonable’.

Oversee the annual review of the effectiveness of the system of internal audit, to include the performance of the internal audit function, compliance with standards and delivery of improvement actions.

44. The Committee reviews and comments on the Internal Audit Annual Report and Opinion, the Annual Governance Statement and Code of Corporate Governance, and the quarterly progress reports.

45. Members are aware advised of changes to the Internal Audit Plan and can make recommendations on areas where the Committee requires further assurance. The Committee has supported officers in ensuring that improvement actions are delivered and to call to management or heads of service where improvements have not been implemented within agreed timescales

Contribute to the external quality assessment of internal audit that takes place every five years.

46. Eastern Internal Audit Services (EIAS) was fully assessed by the Chartered Institute of Internal Auditors in October 2022. 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’’.

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

Commission work from internal and external audit and consider the resulting reports.

48. The Head of Internal Audit facilitated the Committee’s self-assessment exercise in 2024. This exercise is conducted annually and improvement actions are tracked in the Committee’s work plan.

49. The Committee requests reports where it considers further assurance is necessary.

Comment on the scope and depth of external audit work and ensure it gives value for money.

50. Audit Committee have received a number of reports detailing the issues facing the external audit market and the knock on impact to the Council's accounts. The reports have also included updates on the measures taken by central Government to clear the audit backlog, including issuing disclaimed audit opinions and increasing the audit scale fee.

51. Substantially more audit work was undertaken to audit the 2023/24 accounts. However, the continuation of disclaimed accounts for 2023-24 and for several years to come has created some concern amongst the committee.

52. Audit Committee are able to regularly question the audit partner who attends Audit Committee and have also conducted a private meeting with the external auditor without officers being present.

Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

53. The Committee met with the External Auditor and Head of Internal Audit independently in October 2024. As set out in the Committee's action plan, officers are looking to schedule another date for this in the 2025-26 Civic Year.

Seek assurance that action has been taken to implement the recommendations arising from the findings of significant audit and inspection work.

54. Actions arising from internal and external audit reviews are followed up as part of the AGS and internal audit plans.

55. The Committee monitors actions through the internal audit quarterly reports.

Statement of Accounts

Discuss the annual audit plan for the audit of the financial statements with external audit.

56. The External Audit Plan 2023-24 was presented to the Committee on 17th July 2024.

57. The External Audit Plan 2024-25 was presented to the Committee on 13 May 2025.

Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

58. Audit Committee receive copies of all reporting from the external auditor.

Review and approve the annual statement of accounts, including subsequent amendments on behalf of the council.

59. The committee considered Statement of Accounts on 22 October 2024. This included:

- Statement of Accounts 2021-22. This report provided an update on the position regarding the audit of the 21-22 Statement of Accounts and presented the updated draft Accounts prior to final approval. At the meeting, the Committee noted that there would be no further external audit work conducted on the 21-22 Statement of Accounts as laid out in communications from MHCLG and Ernst and Young and delegated authority to the Interim Chief Finance Officer and Chair of the Audit Committee, in consultation with the Cabinet Member for Resources to approve the 21-22 Statement of Accounts.
- Statement of Accounts 2022-23. This report provided an update on the position regarding the audit of the 22-23 Statement of Accounts and presented the updated draft Accounts prior to final approval. Members noted that there would be no further external audit work conducted on the 23-24 Statement of Accounts as laid out in communications from MHCLG and Ernst and Young and delegated authority to the Interim Chief Finance Officer and Chair of the Audit Committee, in consultation with the Cabinet Member for Resources to approve the 23-24Statement of Accounts.
- Statement of Accounts 2023-24. The Committee received the unaudited draft Statement of Accounts.

Referral Powers and Accountability Arrangements

Make recommendations for due consideration on all matters described above.

Report to those charged with governance on the committee's findings, conclusions and recommendations concerning the effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

Report to full council on the committee's performance in relation to the terms of reference and effectiveness of the committee in meeting its purpose.

60. The committee's discussions and recommendations relating to the effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit, are recorded in the minutes of the meetings. Where appropriate the committee's recommendations on any of these matters are referred to Cabinet or the Chief Finance Officer, as set out in the terms of reference.

61. Meetings are attended by the key officers and other members of the executive leadership team and senior managers, internal and external audit, who contribute to the discussions and are accountable for ensuring that the committee's recommendations are given consideration.

62. The Chair and Vice-Chair meet with the key officers to discuss agenda items and the committee's work plan. The Work Programme is a standing item on agendas and considered at each meeting of the committee.

63. The Cabinet Member for An Open and Modern Council (formerly resources) also attended all meetings of the Committee in the 2024-25 Civic Year.

Audit Committee Work Programme 2024-25

Topic	Purpose
17 July 2024	
External Audit Value For Money Interim Report 2021-22 and 2022-23	To present the External Audit Value for Money (VFM) Interim Report 2021/22 and 2022/23.
Annual External Audit Plan 2023-24	To present the Annual External Audit Plan 2023/24.
Progress Report on Internal Audit Activity	To review the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2024/25.
Annual Report of the Audit Committee	To present the draft Annual Report of the Audit Committee 2023/24 to the Committee for comment.
17 September 2024	
Internal Audit Annual Report and Opinion 2023-24	To conclude on internal audit activity undertaken during 2023/24 and provide an annual opinion concerning the Council's framework of governance, risk management and control.
Annual Governance Statement 2023-24	To provide the opportunity to review the draft Annual Governance Statement 2023-24 alongside the Statement of Accounts in compliance with the requirements of the Accounts and Audit Regulations 2015.
Assurance Mapping Levels of Assurance of NCSL	To show the Audit Committee how the Council has oversight of its wholly owned company, Norwich City Services Limited (NCSL).
Appointment of an Independent Member to the Audit Committee	To recommend to Council the appointment of an Independent Member to the Audit Committee.
22 October 2024	
Updated Financial Regulations	To consider the updated financial regulations prior to them being submitted to Full Council for approval.
Progress Report on Internal Audit Activity	To review the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2024/25.
Statement of Accounts 2021-22	To provide updates on the position regarding the audit of the 2021/22 Statement of Accounts and present the updated draft

	Accounts for Member review prior to their final approval.
Statement of Accounts 2022-23	To provide updates on the position regarding the audit of the 2022/23 Statement of Accounts and present the updated draft Accounts for Member review prior to their final approval.
Report from the External Auditors 2021/22 and 2022/23	To receive a verbal report from the External Auditors in regards to the periods 2021/22 and 2022/23.
Statement of Accounts 2023-24	To present the unaudited draft Statement of Accounts
2023-24 EY Audit Progress Report	To present the External Auditor's Progress Report for the 2023/24 financial year.
24 February 2025	
Updated Contract Procedures Rules	The Contract Procedure Rules have been reviewed and updated with reference to the new Procurement Act 2023, ensuring that they are fit for purpose and reflective of good practice.
Progress Report on Internal Audit Activity	To review the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2024/25.
Corporate Risk Register 2023-24 – Quarter 3	To provide an update on the Council's risk register based on the position for Quarter 3 (December 2024).
Statement of Accounting Policies and State of External Audit	To provide Members with the opportunity to comment on the draft accounting policies and to update Members on the status of the 2023/24 statement of accounts external audit and provide details of the statutory deadlines for the 2024/25 statement of accounts.
Statement of Accounts 2023-24	To present the Statement of Accounts 2023-24.
13 May 2025	
Cyber Security Update	To provide assurance that the Council has security measures in place to mitigate risks around cyber-attacks.
Progress Report on Internal Audit Activity	To review the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2024/25.
Internal Audit Plan 2025-26, Charter and Mandate	To outline the Internal Audit Plan for 2025/26 and the Charter and Mandate.
External Auditor's Annual Report for the Year ending 31	To present the External Auditor's Annual Report for the Year

March 2024	ending 31 March 2024.
Annual External Audit Plan 2024-25	To present the Annual External Audit Plan 2024/25.