

# Audit Committee

## Agenda

### Members of the Audit Committee

Mr N C Shaw  
(Chairman)

Mr P H Carrick  
(Vice Chairman)

Mrs B H Rix  
Mr V B Tapp  
Mrs K A Vincent

#### Substitutes

##### Conservatives

Mr G Everett  
Mr R J Knowles  
Mr I J Mackie

**Liberal Democrat**  
Mr D G Harrison

### *Date*

Thursday 20 September 2018

### *Time*

10.00 am

### *Place*

Trafford Room  
Thorpe Lodge  
1 Yarmouth Road  
Thorpe St Andrew  
Norwich

### *Contact*

James Overy tel (01603) 430540

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@BDCDemServices

**If any member wishes to clarify details relating to any matter on the agenda they are requested to contact the relevant Head of Service.**

### **The Openness of Local Government Bodies Regulations 2014**

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**The Chairman will ask if anyone wishes to  
film / record this meeting**

**A G E N D A**

**Page No**

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|----------|---|----------------|
| <b>1</b> | <b>To receive declarations of interest under Procedural Rule no 8</b>   |                |
| <b>2</b> | <b>Apologies for absence</b>  |                |
| <b>3</b> | <b><u><a href="#">Minutes of the meeting held on 26 July 2018</a></u></b>                                     | <b>3 – 8</b>   |
| <b>4</b> | <b>Matters arising therefrom (if any)</b>   |                |
| <b>5</b> | <b><u><a href="#">Progress Report on Internal Audit Activity</a></u></b>                                      | <b>9 – 30</b>  |
|          | To receive a report on the work carried out by Internal Audit during the period 1 April to 11 September 2018. |                |
| <b>6</b> | <b><u><a href="#">Audit Committee Self-Assessment Exercise</a></u></b>  | <b>31 – 41</b> |
|          | To review and approve the Committee's Self-Assessment Exercise checklist.                                     |                |
| <b>7</b> | <b><u><a href="#">EY – 2017/18 Annual Audit Letter</a></u></b>  | <b>42 – 67</b> |
|          | To receive the Annual Audit Letter from External Audit.   |                |
| <b>8</b> | <b><u><a href="#">Work Programme</a></u></b>  | <b>68</b>      |
|          | To consider the Committee's Work Programme.   |                |

P C Kirby  
Chief Executive

Minutes of a meeting of the **Audit Committee** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **Thursday 26 July 2018** at **10.00 am** when there were present:

Mr N C Shaw – Chairman

Mr P H Carrick

Mrs B H Rix

Mr V B Tapp

Mrs K A Vincent

Mr Knowles also attended the meeting for its duration.

Also in attendance were the Deputy Chief Executive, Head of Finance and Revenue Services, Head of Democratic Services and Monitoring Officer, Corporate Finance Manager, Financial Accountant, Capital and Training Centre Accountant, Systems Accountant and the Committee Officer (JO).

Mark Hodgson and Sappho Powell (Ernst and Young) attended the meeting for its duration.

### 8 MINUTES

The Minutes of the meeting held on 28 June 2018 were confirmed as a correct record and signed by the Chairman.

### 9 SERVICE RISKS

The Head of Democratic Services and Monitoring Officer informed the Committee about the risks associated with his service and the measures that had been put in place to mitigate them.

In committee administration, the risks from unsound decision making could have financial implications for the Council and / or harm the Council's reputation. This risk was mitigated through advice from the Council's legal contractors NPLaw. The Head of Democratic Services and Monitoring Officer had quarterly meetings with NPLaw to ensure the Council's contract remained appropriate. The Council's Constitution set out where mandatory training was required to ensure Members had the relevant knowledge and skills set to be able to make sound decisions. All reports were circulated to heads of service and where necessary included advice received from NPLaw.

In the Elections Team failure to implement statutory procedures could result in voters being disenfranchised, which could impact on the Council's reputation and / or result in complaints to the Electoral Commission.

The work of the Elections Team was governed by legislation and the Elections Team all had professional qualifications through the Association of Electoral Administrators and undertook regular training, to ensure that their knowledge and skills were kept up to date. The team continued to meet the performance standards required of them on a regular basis.

The Council must make returns to the Electoral Commission and at the moment these were fairly light touch, but shortly a new Returning Officer and Deputy Returning Officer would be appointed following the recruitment of a new joint Managing Director, which might require the submission of more stringent returns.

### **10 RISK REGISTER**

The Chairman advised the meeting that he had asked that this item be placed on the agenda, as he wanted the Committee to consider if Broadland should have a Risk Register.

The Chairman noted that the County Council and South Norfolk Council both kept Risk Registers and that these were a very helpful, clear and transparent means for Members to have an overview of the risks to service delivery faced by the Council.

The Vice-Chairman, however, noted that the Council managed risk satisfactorily on a service by service basis and he remained confident that officers would bring any issues to Members' attention should they arise.

The Deputy Chief Executive emphasised that the Council was not complacent about risk and there were a number of routes through which information on risk was fed back to Members. The Council had kept a Risk Register for a number of years, but as part of its Systems Thinking approach had decided that it was more effective to manage risk on a day to day basis rather than simply listing them on a register, which was deemed as not adding value in system terms.

It was stressed that risk management had not been reduced and managers were expected to provide evidence of how they managed risk for both day to day work and for specific projects. Sections on risk were also incorporated into committee reports as appropriate as well as Audit and Performance reports.

The Committee had the opportunity to ask heads of service to attend their meetings to talk to them about risk and similarly Members of the Overview and Scrutiny Committee had an annual joint budget meeting with Cabinet, where it could explore financial risks.

It was also emphasised that the Council had an 'open door' culture, which allowed Members ready access to officers and Portfolio Holders.

The Head of Finance and Revenue Services added that she and the Head of Democratic Services and Monitoring Officer were Statutory Officers, who had a duty to bring any pertinent issues to Members' attention.

The Chairman, however, advised Members that he still wanted to explore adopting a Risk Register, especially as the Council was collaborating with South Norfolk Council which was likely to generate more risks. He suggested that the South Norfolk Risk Register should be considered by the Committee at its meeting in September.

The Head of Finance and Revenue Services confirmed that she would liaise with the S151 Officer at South Norfolk and draft a Risk Register template for the next meeting.

### **11 STATEMENT OF ACCOUNTS**

The Head of Finance and Revenue Services presented the final Statement of Accounts to the Committee.

The Corporate Finance Manager advised the meeting that the narrative report had been extended and a number of amendments suggested by EY had been included.

The biggest concern remained the deficit of the Local Government Pension Scheme, which the Council was required to top up annually. In 2017/18 Broadland's contribution was £584,000.

The Fund was formally valued every three years and between formal valuations, the Fund's actuaries rolled forward the value of the liability, using reasonable assumptions. The only control the Council had in respect of this was to challenge the actuaries' assumptions. However, historically they had usually proven to be accurate.

The Committee noted that the £9.7m that the Council had received through Taxation and Non-Specific Grant Income was significantly more than had been anticipated in the budget.

The Head of Finance and Revenue Services confirmed that there was uncertainty about future levels of local government funding. For example, the baseline of the New Homes Bonus was likely to be increased, which would reduce the Council's income. A consultation was currently taking place on the Local Government Finance Settlement 2019/20 and Broadland's response would be included in the Budget Forward Look report to Cabinet in

October. Changes to the Chartered Institute for Public Finance and Accountancy reporting standards would also increase the workload on the Finance Team.

In response to a query, the Head of Finance and Revenue Services confirmed that the Council had a process to monitor and analyse National Non-Domestic Rate (NNDR) appeals and made prudent provision for an extensive backlog of appeals from properties such as NHS Trusts. A revaluation would take place in 2021, which could lead to a number of further appeals.

The Committee was advised that, although most small businesses in the district did not pay NNDR, the Council regularly achieved growth in its NNDR retention.

Members were informed that the Recession Mitigation Fund had originally been established to assist the community during the last recession, but as it was now being wound down it was being used to fund a number of projects such as the social housing tenants' subsidy for the Tots2Teens service and homelessness advice.

Money set aside to cover revenue losses following the formation of the CNC Building Control Partnership would go into General Reserves, if not used. The Council also had an External Funding Reserve that was ring-fenced for projects funded by specific Government Grants and contributions, such as the Planning Delivery Grant.

The Committee noted that the Council had been unable to dispose of the railway bridges that it had responsibility for and retained a reserve for their maintenance.

The Head of Finance and Revenue Services wished to record her thanks to the Corporate Finance Manager and the rest of the Finance Team for their hard work in compiling the Statement of Accounts.

### **RESOLVED**

to approve Broadland's Statement of Accounts (attached at Appendix 1 to the signed copy of these Minutes).

## **12 LOCAL CODE OF CORPORATE GOVERNANCE**

Broadland's Code of Local Governance had been developed in accordance with a framework drafted by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers. This national framework had changed and so it was necessary to

prepare a new local code that took account of the new framework. It set out seven core principles of good governance. These were:

- (1) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law.
- (2) Ensuring openness and comprehensive stakeholder engagement.
- (3) Defining outcomes in terms of sustainable economic, social and environmental benefits.
- (4) Determining the course of action necessary to optimise the achievement of the intended outcomes.
- (5) Developing our capacity, including the capability of our leadership and the individuals within it.
- (6) Managing risks and performance through robust internal control and strong public financial management.
- (7) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The new local code, circulated with the agenda, reflected these principles. Also listed were the behaviours and actions that would demonstrate compliance with the Code, as well as how they would be achieved or put into practice.

### **RESOLVED**

to approve the Council's Code of Corporate Governance (attached at Appendix 2 to the signed copy of these Minutes).

## **13 EY 2017/18 AUDIT RESULTS REPORT**

The report summarised the preliminary conclusion of External Audit in respect of Broadland District Council and confirmed the opinion that the Council's financial statements gave a true and fair view of its financial position for the year ended 2017/18.

A number of misstatements had been identified by the audit and these had been corrected by management.

In respect of value for money, External Audit was satisfied that the Council had sufficient reserves to remain well above the approved minimum level of £2m to 2021.

The audit had identified that seven Members had failed to return their Related Party Transactions forms for 2017/18 and one Member had not disclosed a known related party within their form. This was a significant deficiency in internal control and it was, therefore, recommended that a robust process to collect the completed forms be put in place, which also reinforced the importance of accurate disclosures. The Head of Democratic Services and Monitoring Officer confirmed that Members had been repeatedly contacted regarding this issue and they had been provided with hard copies and electronic versions of the forms and the leaders of both political groups had been advised that some of their Members had failed to submit their forms. The Chairman confirmed that he would contact the seven Members personally following the meeting.

Another deficiency identified was the Council's Valuer's report for the Bure Valley Railway, which had been wrongly prepared as an 'Investment Property' instead of an 'Asset held for Sale'. This had no impact on the valuation of the asset, but did show a weakness in control, which could have a material impact and it was recommended that a robust quality review process be put in place before the authorisation of the draft financial statements ahead of the statutory deadline.

### **RESOLVED**

to note the External Audit results report for 2017/18.

## **14 LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

Members received the Local Government Audit Committee briefing.

## **15 WORK PROGRAMME**

Risk Register was added to the Work Programme for the 20 September 2018.

*The meeting closed at 11.28 am*



## **PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY**

**Portfolio Holder:** Finance

**Wards Affected:** All

### **1 SUMMARY**

- 1.1 This report reviews the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2018/19 during the period 1 April 2018 to 11 September 2018, and includes executive summaries in respect of audit reviews which have been finalised over this period.

### **2 KEY DECISION**

- 2.1 This is not a key decision.

### **3 BACKGROUND**

- 3.1 The Audit Committee receive updates on progress made against the Annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
- 3.2 The Public Sector Internal Audit Standards require the Chief Audit Executive to report to the Audit Committee the performance of internal audit relative to its agreed plan, including any significant risk exposures and control issues. To comply with the above the report identifies:
- Any significant changes to the approved Audit Plan;
  - Progress made in delivering the agreed audits for the year;
  - Any significant outcomes arising from those audits; and
  - Performance Measures.

### **4 THE ISSUES**

- 4.1 The current position in relation to the delivery of the Annual Internal Audit Plan 2018/19 is shown in the report attached.

### **5 ALTERNATIVE COURSE OF ACTION**

- 5.1 Not applicable to this report.

**6 PROPOSED ACTION**

- 6.1 For the Audit Committee to review the progress made in the delivery of the Annual Internal Audit Plan for 2018/19.

**7 RESOURCE IMPLICATIONS**

- 7.1 There are no resource implications arising from this report.

**8 LEGAL IMPLICATIONS**

- 8.1 There are no legal implications arising from this report.

**9 RISK IMPLICATIONS**

- 9.1 Failure to undertake the Annual Internal Audit Plan could result in the Internal Audit Consortium Manager not being able to provide an annual opinion. Reductions in Internal Audit coverage could permit on-going weaknesses in the internal control environment at the Council not being detected and reported upon.

**10 EQUALITIES IMPLICATIONS**

- 10.1 There are no equality implications arising from this report.

**11 CONCLUSION**

- 11.1 The 2018/19 Annual Internal Audit Plan is progressing as expected.

**12 OPTIONS**

- 12.1 The Audit Committee has the following options:

That Members note the progress in completing the internal audit plan of work and the outcomes of the completed audits to date for the 2018/19 financial year.

Faye Haywood  
Internal Audit Manager for Broadland DC

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**Background Papers**

None

For further information on this report call Faye Haywood on (01508) 533954 or e-mail [fhaywood@s-norfolk.gov.uk](mailto:fhaywood@s-norfolk.gov.uk).

## Eastern Internal Audit Services



### Broadland District Council

#### Progress Report on Internal Audit Activity

Period Covered: 1 April 2018 to 11 September 2018

Responsible Officer: Faye Haywood – Internal Audit Manager for Broadland District Council

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## 1. INTRODUCTION

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

## 2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting on 15 March 2018 the Annual Internal Audit Plan for the year was approved, identifying the specific audits to be delivered. Since then, there have been no significant changes to that plan.

## 3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1** and progress to date is in line with expectations.
- 3.2 In summary 62 days of programmed work has been completed, equating to 43% of the Audit Plan for 2018/19.

## 4. THE OUTCOMES ARISING FROM OUR WORK

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

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

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

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

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

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

**Urgent (priority one):** Fundamental control issue on which action to implement should be taken within 1 month.

**Important (priority two):** Control issue on which action to implement should be taken within 3 months.

**Needs attention (priority three):** Control issue on which action to implement should be taken within 6 months.

- 4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.
- 4.4 During the period covered by the report Internal Audit Services have issued 4 final reports:

Audit	Assurance	P1	P2	P3
Cyber Security	Reasonable	0	3	1
Procurement	Reasonable	0	4	1
Housing Benefits & Local Council Tax Support	Reasonable	0	1	0
Environmental Health	Reasonable	0	3	5

The Executive Summary of these reports are attached at **Appendix 2**, full copies of these reports can be requested by Members.

- 4.5 As can be seen in the table above as a result of these audits 18 recommendations have been raised by Internal Audit and agreed by management.

In addition, eight Operational Effectiveness Matters have been proposed to management for consideration.

- 4.6 It is also pleasing to note that all audits concluded in a positive opinion being awarded, indicating a strong and stable control environment to date, with no issues that would need to be considered at year end and included in the Annual Governance Statement.

## 5. PERFORMANCE MEASURES

- 5.1 The Internal Audit Services contract includes a suite of key performance measures against which the contractor will be reviewed on a quarterly basis. There are a total of 11 indicators, over four areas.
- 5.2 There are individual requirements for performance in relation to each measure; however performance will be assessed on an overall basis as follows:

- 9-11 KPIs have met target = Green Status.
- 5-8 KPIs have met target = Amber Status.
- 4 or below have met target = Red Status.

Where performance is amber or red a Performance Improvement Plan will be developed by the contractor and agreed with the Internal Audit Manager to ensure that appropriate action is taken.

- 5.3 The first quarters work has been completed and a report on the performance measures provided to the Internal Audit Manager, performance is currently at green status with targets having been satisfactorily met for this quarter.
- 5.4 In addition to these quarterly reports from the Contractors Audit Director, ongoing weekly updates are provided to ensure that delivery of the audit plan for the current financial year is on track. A review of the most recent update indicates that sufficient progress is being made against the 201819 plan.
- 5.5 A summary of all performance results will be presented to the committee within the Annual Report.

## PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
<b>Quarter 1</b>											
Procurement	BRD1901	10	10	10	Final report issued 29 June 2018	Reasonable	0	4	1	1	Sep-18
<b>TOTAL</b>		<b>10</b>	<b>10</b>	<b>10</b>							
<b>Quarter 2</b>											
Corporate Governance GDPR	BRD1903	5	5	4	Draft report issued 7 August 2018						
Housing Benefits & Local Council Tax Support	BRD1904	20	20	20	Final report issued 21 August 2018	Reasonable	0	1	0	0	Sep-18
Environmental Health	BRD1905	10	10	10	Final report issued 15 August 2018	Reasonable	0	3	5	1	Sep-18
<b>TOTAL</b>		<b>35</b>	<b>35</b>	<b>34</b>							
<b>Quarter 3</b>											
Accounts Payable	BRD1906	12	12	0							
Payroll and Human Resources	BRD1907	17	17	0							
Council Tax and NNDR	BRD1908	20	20	0							
<b>TOTAL</b>		<b>49</b>	<b>49</b>	<b>0</b>							
<b>Quarter 4</b>											
Key Controls & Assurance	BRD1909	10	10	0							
<b>TOTAL</b>		<b>10</b>	<b>10</b>	<b>0</b>							
<b>IT Audits</b>											
Cyber Crime	BRD1902	15	15	15	Final report issued 27 June 2018	Reasonable	0	3	1	6	Sep-18
Exchange and Ancillary Services	BRD1910	15	15	0							
<b>TOTAL</b>		<b>30</b>	<b>30</b>	<b>15</b>							
<b>Follow Up</b>											
Follow Up	NA	10	10	3							
<b>TOTAL</b>		<b>10</b>	<b>10</b>	<b>3</b>							
<b>TOTAL</b>		<b>144</b>	<b>144</b>	<b>62</b>			0	11	7	8	
<b>Percentage of plan completed</b>				<b>43%</b>							



## AUDIT REPORT EXECUTIVE SUMMARIES

## Cyber Crime - Executive Summary

## OVERALL ASSURANCE ASSESSMENT



## ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Information Risk Management Regime	0	0	0	1
Monitoring	0	1	0	2
Secure Configuration	0	1	0	1
User Training and Awareness	0	1	0	0
Managing User Privileges	0	0	1	0
Incident Management	0	0	0	1
Removable Media Controls	0	0	0	1
<b>Total</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>6</b>

## SCOPE

This area is increasingly under the spotlight and a review is therefore timely. The scope will cover: Information Risk Management Regime, Secure configuration, Network security, Managing user privileges, User education and awareness, Incident management, Malware prevention, Monitoring, Removable media controls and Home & mobile working

## RATIONALE

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- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and one 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised six 'operational effectiveness matters', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

## POSITIVE FINDINGS

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It is acknowledged there are areas where sound controls are in place and operating consistently:

- Section 9.1 of the Council's disciplinary procedures include references to a range of activities that could trigger the procedure, including the misuse of the Council's computing facilities. This helps ensure that cybercrime activities can be treated as a potential reason for bringing disciplinary action for breaches of Council policy in this respect.
- The Council has a formally documented Counter Fraud Strategy. The document is designed to be non-specific about what types of fraud are in scope, which means that any types of fraud are treated in the same way.
- IT Administration staff have two user accounts - one for Administration and another for non-Administration purposes. Separate accounts help ensure that unintended changes that would require an Administrator level account are not made.
- The Council uses Dell SonicWall firewall appliances, including a smaller firewall for the members' wireless access at Thorpe Lodge. There are a number of firewall rules in place that control access to the network, which help ensure that only permitted network activity is allowed.
- The firewall also has an integrated AV engine that supplements the McAfee AV/Malware engine that is installed on all servers and clients. There is also an integrated Intrusion Prevention engine. Such tools help protect the Council network from malware and other related software.
- Firewall resilience is in place at the Council Head Office (Thorpe Lodge). Firewall resilience is not present at the Carrowbreck Disaster Recovery site as it is a secondary site only. Firewall resilience helps ensure continuity of network service should one of the appliances fail.
- The firewall appliances were being upgraded during the audit and the IT Strategy has noted the need to upgrade or replace other network devices as part of a wider refresh policy. Such a policy helps ensure continuity of support for the devices and the ability to support evolving Council and technological needs.
- There are consistent processes in place that screen all potential new staff as part of the recruitment process. There are differing levels of screening undertaken depending on the roles concerned. Screening processes such as these should alert the Council to candidates with a previous record of conducting fraudulent behaviour.

- Checks for Anti-Virus (AV) signature updates are made frequently depending on the system. The SonicWall firewall AV updates hourly, the McAfee server checks the McAfee website for updates every 24 hours and client McAfee agents check the McAfee server for updates every 60 minutes.
- There are adequate controls in place for managing remote access connections to the Council's systems that help ensure the security of the Council's data.
- iPads issued by the Council are controlled by adequate Mobile Device Management (MDM) configurations that include the ability to remotely wipe the data on any devices that are reported lost, stolen or otherwise compromised.
- All laptops issued to staff have encrypted hard drives that require a password to decrypt when switching the machine on.

## ISSUES TO BE ADDRESSED

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The audit has highlighted the following areas where three 'important' recommendations have been made.

### Monitoring

- There is a need for the Council to design, agree and implement formal log monitoring policies and procedures so that any security events of note are detected and actioned in a timely manner.

### Secure Configuration

- To utilise the available Nessus vulnerability scanning tool on a quarterly basis to help identify any machines that may not be being patched, thus ensuring that vulnerabilities are monitored and managed in a timely manner.

### User Training and Awareness

- There is a need to deploy appropriate Cyber Security training to all relevant staff so that they understand what the risks are and how to help prevent them.
- The audit has also highlighted the following areas where one 'needs attention' recommendation has been made.

### Managing User Privileges

- To investigate the feasibility of implementing a separate Password policy that requires longer than usual passwords to be applied to IT Administrator accounts, thus further improving the security of the Council's IT systems in relation to such accounts that have high user access.

### Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- Enforcing encryption of all data copied to USB devices.

- Seeking Cyber Essentials Scheme accreditation.
- The development of an appropriate Forensic Readiness Policy to help manage the integrity of electronic or other evidence that may form part of any legal investigation work such as a fraud investigation.
- Ensuring that the Microsoft Licensing 'truing up' exercise is completed following the current work to build new machines. Microsoft Volume licencing allows the Council to exceed their licence allowance temporarily on the understanding that the difference is corrected ('trued up') on an annual basis.
- The deployment of Host Intrusion Detection / Prevention systems that are normally installed on users' machines such as Desktop PCs and laptops and help support other network-based network traffic monitoring solutions.
- Training on the relevant Security Information and Event Management (SIEM) application to be given to relevant staff as part of its procurement.

# Assurance Review of the Procurement Arrangements

## Executive Summary

### OVERALL ASSURANCE ASSESSMENT



### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Computerised Systems	0	1	0	0
Maintenance of the Contract Register	0	3	0	0
Compliance with Contract Procedure Rules	0	0	1	1
<b>Total</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>1</b>

No recommendations have been raised in relation to exemptions.

### SCOPE

This audit focussed on the recent procurement exercises and awards of contracts, to ensure these have been carried out in line with relevant legislation and the financial procedure rules. The audit covered maintenance of the contracts register, compliance with standing orders and legislation at each threshold, and exemptions.

## RATIONALE

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- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of four 'important' and one 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

## POSITIVE FINDINGS

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It is acknowledged there are areas where sound controls are in place and operating consistently:

- A Procurement Group has been established to provide effective corporate co-ordination and support for services on procurement so that the Council meets its ambition to continue to provide high quality, value for money services. There is an up-to-date Terms of Reference document in place, and minutes show the group is meeting regularly.
- There is a Procurement Strategy 2017 – 2021 in place, setting out the Council's procurement principles and aligning those with the vision for a strong and vibrant Broadland aimed at delivering more jobs, more homes and more opportunities. Furthermore a feasibility study is being undertaken to explore the options and opportunities for shared working with South Norfolk Council, which could benefit the procurement function is approved.
- Contract Procedure Rules are included in part 7.1 of the Council's Constitution, thereby making the rules clear to staff, bidders and the public. The Constitution was updated in January 2018.
- Testing of contract and tender documentation found evidence to demonstrate that Contract Procedure Rules are followed, including advertising in the EU journal where the limit is exceeded. This provides assurance of compliance with the law and the operation of processes in place to deliver best value for money.
- The three exceptions to Contract Procedure Rules over the past year were found to be documented and authorised in the 'Decisions made by a Portfolio Holder under delegated powers' folder. Documentation sets out the reasons and justification for the decisions.

## ISSUES TO BE ADDRESSED

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The audit has highlighted the following areas where four 'important' recommendations have been made.

### Computerised Systems

- An e-procurement system to be introduced to increase the number of bidders thereby improving competition and to comply with the Public Contract Regulations 2015. This reduces the risk of non-compliance with the regulations and reduces the Council's ability to procure goods, works and services more effectively and efficiently.

### Maintenance of the Contract Register

- The contract register to be updated to include all ICT contracts and the process for updating the register to be reviewed. This will reduce the risk of non-compliance with the Local Government Transparency Code 2015 due to the published register being incomplete.
- The contract register to be presented to the Corporate Leadership Team on a quarterly basis to provide oversight and reduce the risk of inaccuracies or omissions.
- As part of a quarterly update of the contracts register, a review of higher value invoices to be completed to reduce the risk of Contract Procedure Rules being bypassed without detection. This control weakness was previously highlighted in our position statement of January 2017.

The audit has also highlighted the following area where one 'needs attention' recommendation has been made.

### Compliance with Contract Procedure Rules

- Evidence to be retained on file to demonstrate that suppliers have undergone a financial appraisal.

### Operational Effectiveness Matters

The operational effectiveness matter for management to consider relates to the considering bringing in or sharing a qualified Procurement Officer.

### Previous audit recommendations

The previous audit on Procurement (BRD/17/12) was undertaken in January 2017, with a position statement issued following completion of the review. Seven suggested actions were raised with testing confirming that four of these have been completed with three outstanding; two of which are to be superseded by further recommendations made in this report.

In one of the previous three outstanding recommendations, in particular to update the format of the contracts register to meet the requirements of the Local Government Transparency Code 2015 and Public Contracts Regulations 2015, including the completion of all mandatory fields and to include a disclaimer stating that the contracts register may not be an exhaustive list, a review of the February 2018 version of the register published on the Council's website, found that the schedule still did not include all the mandatory fields. The missing fields included the contract reference number / ID, description of goods and services, review date, irrecoverable VAT, enterprise/organisation size, and tender process type. The Head of Democratic Services and Monitoring Officer subsequently provided a revised contracts register template which included all the suggested headings. As such, no recommendation has been made in respect of this point, with the original recommendation now considered implemented.

The two remaining outstanding recommendations related to a review of higher value invoices to be completed to ascertain whether any payments under a contract have been made where a contract is not already included on the contracts register and for the Council's lead officer on procurement to obtain procurement advice and training in e-procurement. This latter point is included in an updated recommendation for the Council to introduce an e-procurement system to comply with the requirements of the Public Contract Regulations 2015 with training provided to all key officers, thereafter.

The four completed recommendations relate to producing terms of reference for the Officers Procurement Group, to improve the regularity of the Officers Procurement Group meetings with minutes capturing key action points, updating the Council's Procurement Strategy and Action Plan 2013-16 to include provision of an annual position statement and to provide a formal record of the progress made against the strategy. The final recommendation implemented since the previous review related to updating the Procurement Guidance, Purchase Order Conditions and Contract Procedure Rules to reflect the Constitution and capture the requirements of the Local Government Transparency Code 2015 and Public Contracts Regulations 2015 and to be made available to relevant officers.



## Assurance Review of Environmental Health

### Executive Summary

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Contaminated Land	0	0	1	0
Air Quality	0	1	3	0
Private Water Supplies	0	2	1	1
<b>Total</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>1</b>

#### SCOPE

The specific focus within this area was on Environmental Protection, in particular air quality, contaminated land and private water supplies.

## **RATIONALE**

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- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and five 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out a matter identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

## **POSITIVE FINDINGS**

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It is acknowledged there are areas where sound controls are in place and operating consistently:

- The Council has a publicly available register of contaminated sites, and a separate list of potentially contaminated sites which are ranked by risk rating.
- The Pollution Control Officer is consulted on planning applications relating to potentially contaminated sites, ensuring that sufficient inspections and controls are put in place to reduce risks.
- Regular inspections, in accordance with requirements, are conducted of LAPPC (Local Authority Pollution Prevention and Control) permitted premises, to ensure compliance with permit conditions.

## **ISSUES TO BE ADDRESSED**

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The audit has highlighted the following areas where three 'important' recommendations have been made.

### **Air quality**

- The 2018 Air Quality Annual Status Report needs to be completed and submitted to DEFRA, to reduce the risk of reputational damage to the Council.

### **Private water supplies**

- Actions raised by private water supply risk assessments to be followed up, to reduce the risk of important actions not being completed.
- Invoice requests for private water supply testing samples to be retained and reviewed periodically, to reduce the risk of invoices not being raised.

The audit has also highlighted the following areas where five 'needs attention' recommendations have been made.

#### **Contaminated land**

- The contaminated land strategy to be made available on the Council's website, to ensure transparency around its plans for dealing with contaminated land.

#### **Air quality**

- Work instructions for Local Air Pollution Prevention and Control (LAPPC) permits to be written, to reduce the risk of inconsistent working practices.
- Information about LAPPC permits to be added to the Council's website, to reduce the risk of businesses requiring a permit not applying for one.
- The Air Quality Status report to be published on the Council's website every year, to improve transparency and reduce the risk of reputational damage to the Council.

#### **Private water supplies**

- Work instructions for private water supplies to be reviewed and updated as necessary, to reduce the risk of inconsistent working practices.

#### **Operational Effectiveness Matters**

The operational effectiveness matters, for management to consider relate to the records kept for private water supplies.

#### **Previous audit recommendations**

The previous audit on Environmental Health (BRD/18/04) was undertaken in July 2017, with a report issued following completion of the review. Three 'needs attention' recommendations were raised following this review and all have been confirmed as implemented as part of our separate cyclical follow up process. This audit covered separate areas of Environmental Health to the current audit. There are no outstanding audit recommendations relating to the areas in the scope of this review from any previous audit.

# Assurance Review of the Housing Benefit & Local Council Tax Support Arrangements

## Executive Summary

### OVERALL ASSURANCE ASSESSMENT



### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Quality checking process	0	1	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

No recommendations were raised regarding receipt and assessment of applications, payments, overpayments, arrears, write offs, backdated claims, discretionary payments, appeals, reconciliations or system access.

### SCOPE

The key areas within this service have been risk assessed and appropriate attention given to those areas, along with a review of the key controls. The audit areas included; receipt and assessment of applications, payments, overpayments, arrears, write offs, discretionary payments, appeals, reconciliations, the quality checking process, system access and updates.

## RATIONALE

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- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the audit. The assurance opinion has been derived as a result of one 'important' recommendation being raised upon the conclusion of our work.

## POSITIVE FINDINGS

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It is acknowledged there are areas where sound controls are in place and operating consistently:

- Housing Benefit staff undergo an annual training programme to ensure that they are aware of upcoming changes, such as the introduction of Universal Credit.
- Evidence relating to new claims and changes of circumstances is obtained prior to processing and retained on the document management system, to ensure that decisions are justified.
- Overpayments are classified by reason, including splitting where necessary, to ensure that the Council is recovering debts as much as possible and that they are accurately reflected in the subsidy claim.
- The benefits system is reconciled to the Council Tax system, debtors systems and general ledger, to ensure that the data held in each area is consistent.
- Backdates awarded by the Council are checked by a Quality Assurance and Appeals Officer to ensure that the claimant has shown good cause and that the time limits for backdates are not exceeded.

## ISSUES TO BE ADDRESSED

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The audit has highlighted the following area where one 'important' recommendation has been made.

### Quality Checking Process

- Housing Benefit claim corrections are followed up with assessors and individual training provided as required, to ensure that all necessary changes have been made and the error does not recur, reducing the risk that incorrect benefits continue to be paid.

### Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

#### Previous audit recommendations

A recommendation was raised in the 2017/18 Key Controls audit (BRD/18/09) regarding corrections made to benefit claims being actioned. We obtained evidence of completion through our follow up process, however as a result of this review it has become apparent that this control weakness has reoccurred.

#### Other points noted

During testing of the quality assurance process, it was noted that the level of checking of claims has reduced since previous audits, from around 10% of claims to around 5%. As this is still above the DWP's recommended minimum level of 4%, a recommendation will not be raised. The structure of the whole service is currently undergoing review and the resourcing of the quality assurance function will be reviewed as part of this.

## **AUDIT COMMITTEE SELF-ASSESSMENT EXERCISE**

**Portfolio Holder:** Finance  
**Wards Affected:** All

### **1 SUMMARY**

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) document on 'Audit Committees – practical guidance for local authorities and police' sets out the guidance on the function and operation of Audit Committees. It represents CIPFA's view of best practice, and states 'the purpose of an Audit Committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes'.
- 1.2 This is the seventh time that the Audit Committee has undertaken a self-assessment, with the version finalised by the Committee in 2017 attached at Appendix 1, for discussion at the meeting on 21 September 2017.

### **2 KEY DECISION**

- 2.1 This is not a key decision.

### **3 BACKGROUND**

- 3.1 The Section 151 Officer has overarching responsibility for discharging the requirement for sound financial management, and to be truly effective requires an Audit Committee to provide support and challenge.
- 3.2 Good Audit Committees are characterised by; balanced, objective, independent, knowledgeable and properly trained Members, a membership that is supportive of good governance principles, a strong independently minded Chair, an unbiased attitude and the ability to challenge when required.
- 3.3 It is therefore good practice for Audit Committees to complete a regular self-assessment exercise against a checklist, to be satisfied that the Committee is performing effectively.
- 3.4 In addition, the Public Sector Internal Audit Standards (PSIAS) 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.

- 3.5 The Audit Committee has regularly carried out the self-assessment exercise in the past and has acted where necessary to ensure full compliance with best practice.
- 3.6 The updated guidance provides two tools against which the Committee can assess itself, the first (self-assessment of good practice) supports an assessment against recommended practice to inform and support the Committee. The second assessment tool (evaluating the effectiveness of the Audit Committee) helps Audit Committee members to consider where it is more effective and where there may be scope to do more. To be effective the Committee should be able to identify evidence of its impact or influence linked to specific improvements.

## 4 THE ISSUES

- 4.1 The results of the assessment finalised in 2017 is attached at Appendix 1 to this report, and the Committee is asked to discuss the outcomes of the self-assessment, with focus on those areas whereby a partial or no assessment was concluded or whereby action points were recorded as follows:

**Partial assessment** in 2017: Is the role and purpose of the Audit Committee understood and accepted across the authority?

**Partial assessment** in 2017: Are the arrangements to hold the Committee to account for its performance operating satisfactorily?

**No assessment** in 2017: Has the membership of the Committee been assessed against the core knowledge and skills framework and found to be satisfactory?

**Partial assessment** in 2017: Has the Committee obtained feedback on its performance from those interacting with the Committee or relying on its work?

**Action Point:** Risk implications in reports to be further explored and the Council to look to providing further explanations.

**Action Point:** To consider receiving service reports from Heads of Service at Committee, to bring an insight into the service level risks.

**Action Point:** Financial implications in reports to be further explored and the Council to look to providing fuller explanations.

**Action Point:** To consider a glossary of terms is attached as a standing agenda item.



- 4.2 The Audit Committee needs to satisfy itself as to the progress made in the areas noted at 4.1 and make re-assessments as necessary and to assure themselves that the outcomes as recorded are accurate.

## **5 ALTERNATIVE COURSE OF ACTION**

- 5.1 The alternative option would be for the Audit Committee not to complete the self-assessment exercise; however, this would result in no assurance being provided that the Committee is assisting the Council in achieving good corporate governance, and is sufficiently proactive.

## **6 PROPOSED ACTION**

- 6.1 The Audit Committee are requested to review and update the checklists at Appendix 1 to ensure that these are an accurate reflection of the operations of the Audit Committee, and to note action points as necessary.

## **7 RESOURCE IMPLICATIONS**

- 7.1 There are no resource implications arising from this report.

## **8 LEGAL IMPLICATIONS**

- 8.1 There are no legal implications arising from this report.

## **9 RISK IMPLICATIONS**

- 9.1 The Committee has oversight for risk and reviews the impact of risk in relation to the majority of the reports it receives.

## **10 EQUALITIES IMPLICATIONS**

- 10.1 There are no equalities implications arising from this report.

## **11 CONCLUSION**

- 11.1 Subject to Audit Committee review and approval of the checklist and associated action points at Appendix 1, full compliance is recognised against best practice.

## **12 OPTIONS**

- 12.1 The Audit Committee is requested review and update the checklist at Appendix 1 and the associated action points.

Emma Hodds  
Head of Internal Audit for Broadland DC

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### **Background Papers**

None.

For further information on this report call Emma Hodds on (01508) 533791 or e-mail [ehodds@s-norfolk.gov.uk](mailto:ehodds@s-norfolk.gov.uk)

## Self-assessment of good practice

This evaluation will support an assessment against recommended practice to inform and support the Audit Committee. This is a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. Where an Audit Committee has a high degree of performance against the good practice principles then it is an indicator that the committee is soundly based and has in place knowledgeable membership. These are essential factors in developing an effective Audit Committee.

	GOOD PRACTICE QUESTIONS	Yes	Partly	No
	<b>Audit Committee purpose and governance</b>			
1	Does the authority have a dedicated Audit Committee?	√		
2	Does the Audit Committee report directly to full Council?	√		
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's position statement?	√		
4	Is the role and purpose of the audit committee understood and accepted across the authority?		√	
5	Does the Audit Committee provide support to the authority in meeting the requirements of good governance?	√		
6	Are the arrangements to hold the committee to accounts for its performance operating satisfactorily?		√	
	Functions of the committee			
7	Do the Committee's terms of reference explicitly address all the core area identified in CIPFA's position statement? <ul style="list-style-type: none"> <li>- Good governance</li> <li>- Assurance framework</li> <li>- Internal audit</li> <li>- External audit</li> <li>- Financial reporting</li> <li>- Risk management</li> <li>- Value for money or best value</li> <li>- Counter fraud and corruption</li> </ul>	√		
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	√		
9	Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the Committee to undertake them?	√		

10	Where coverage of core areas has been found to be limited, are plans in place to address this?	√		
11	Has the committee maintained its non-advisory role by not taking on any decision making powers that are not in line with its core purpose?	√		
	<b>Membership and support</b>			
12	Has an effective audit committee structure and composition of the board been selected? This should include: <ul style="list-style-type: none"> <li>- Separation from the executive</li> <li>- An appropriate mix of knowledge and skills among the membership</li> <li>- A size of committee that is not unwieldy</li> <li>- Where independent members are used, that they have been appointed using appropriate process</li> </ul>	√		
13	Does the Chair of the Committee have appropriate knowledge and skills?	√		
14	Are arrangements in place to support the committee with briefings and training?	√		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?			√
16	Does the Committee have good working relationships with key people and organisations, including external audit, internal audit and the chief finance officer?	√		
17	Is adequate secretariat and administrative support to the Committee provided?	√		
	<b>Effectiveness of the committee</b>			
18	Has the Committee obtained feedback on its performance from those interacting with the Committee or relying on its work?		√	
19	Has the Committee evaluated whether and how it is adding value to the organisation?	√		
20	Does the Committee have an action plan to improve any areas of weakness?	√		

## Evaluating the Effectiveness of the Audit Committee

This assessment tool helps Audit Committee members to consider where it is most effective and where there may be scope to do more. To be considered effective, the Audit Committee should be able to identify evidence of its impact or influence linked to specific improvements.

Assessment Key:

- 5** Clear evidence is available from a number of sources that the committee is actively supporting the improvement across all aspects of this area. The improvements made are clearly identifiable.
- 4** Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
- 3** The Committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
- 2** There is some evidence that the Committee has supported improvements, but the impact of this support is limited.
- 1** No evidence can be found that the Audit Committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation examples, areas of strength and weakness	Assessment 1-5
Promoting the principles of good governance and their application to decision making	<p>Providing robust review of the AGS and the assurances underpinning it</p> <p>Working with key members to improve their understanding of the AGS and their contribution to it</p> <p>Supporting reviews / audits of governance arrangements</p>	<p>The Committee felt that they understand the AGS and review this as part of their terms of reference.</p> <p>All Members of the Committee have also recently received CIPFA training which helped with understanding in this area. It also enabled networking with other Members within Norfolk. As did the EY course attended by one of the Members.</p>	<b>5</b>

	<p>Participating in self-assessments of governance arrangements</p> <p>Working with partners audit committees to review governance arrangements in partnerships</p>	<p>This self-assessment ensures that the Committee have appropriate governance arrangements in place and help to make these robust.</p> <p>The Chair is also on the Audit Committee at Norfolk County Council.</p>	
Contributing to the development of an effective control environment	<p>Monitoring of the implementation of recommendations from auditors</p> <p>Encouraging ownership of the internal control framework by appropriate managers</p> <p>Raising significant concerns over controls with appropriate senior managers</p>	<p>Managers attend meetings as required in support of the reports received.</p> <p>The Committee robustly reviews the implementation of audit recommendations, challenges responses as appropriate and takes pro-active action when necessary.</p>	<b>5</b>
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<p>Reviewing risk management arrangements and their effectiveness eg risk management benchmarking</p> <p>Monitoring improvements</p> <p>Holding risk owners to account for major / strategic risks</p>	<p>The Committee feels that reporting through on risks, for example in relation to IT and Fraud, is much more open and transparent thus enabling a better understanding by Members.</p> <p>However, the Committee feels unable to delve into specific risks and feel that risk implications could be better explained in reports that are received, not only at the Audit Committee. Members felt there is not enough breadth to enable full understanding and exploration of the associated risks of such action.</p>	<b>3</b>

		<b>ACTION POINTS TO DISCUSS</b>  Risk implications in reports to be further explored and the Council to look to providing fuller explanations.  To consider receiving service reports from Heads of Service at Committee, to bring an insight into the service level risks.	
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	Specifying its assurance needs, identifying gaps or overlaps in assurance  Seeking to streamline assurance gathering and reporting  Reviewing the effectiveness of assurance providers eg internal audit, risk management, external audit	Gaps noted in relation to risk in above comments, other than that the Committee feel they get reports covering the assurance framework from various officers.  Only concern is the impact of systems thinking on the assurance framework, however it is recognised that this is assessed and changes are carefully considered.	<b>5</b>
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	Reviewing the audit charter and functional reporting arrangements  Assessing the effectiveness of internal audit arrangements and supporting improvements	The Committee felt that they are clear on the delivery and outcomes from the internal audit service through the reports received regularly by the Committee.	<b>5</b>
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place	Displayed through the reports received by the Committee.  The Committee does place reliance on other Committees to take their part in review of major projects etc.	<b>4</b>

	Reviewing the effectiveness of performance management arrangements		
Supporting the development of robust arrangements for ensuring value for money	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee</p> <p>Considering how performance in value for money is evaluated as part of the AGS</p>	<p>The Committee is aware that value for money is reported through to them by the AGS and the report received from the external auditor, however it was felt that financial implications are not always clearly defined and explained.</p> <p><b>ACTION POINT TO DISCUSS</b></p> <p>Financials implications in reports to be further explored and the Council to look to providing fuller explanations.</p>	<b>4</b>
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<p>Reviewing arrangements in place for countering fraud and corruption</p> <p>Reviewing fraud risks and the effectiveness of the organisations strategy to address those risks</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and members</p>	<p>Evidenced for review and approval of the fraud plan for the financial year and also the summary of the work undertaken in this area in the preceding year.</p> <p>Policies are also regularly received and reviewed by the Committee to increase understanding and ensure effective governance arrangements.</p>	<b>4</b>
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability	<p>Improving how the authority discharges its responsibilities for public reporting, eg better targeting the audience, use of plain English</p> <p>Reviewing whether decision making through partnership</p>	<p>The Committee felt that some reporting is not always clear enough ie the use of acronyms.</p> <p>Reports need to be cleared / plainer – Broadland News is a really good example of how this can be done well.</p>	<b>4</b>



	organisations remains transparent and publicly accessible and encouraging greater transparency	<b>ACTION POINT TO DISCUSS</b> To consider a glossary of terms is attached as a standing agenda item.	
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# **Broadland District Council**

Annual Audit Letter for the year  
ended 31 March 2018

28 August 2018

# Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated 23 February 2017)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure** - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01

## Executive Summary

## Executive Summary

We are required to issue an annual audit letter to Broadland District Council (the Council) following completion of our audit procedures for the year ended 31 March 2018.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
<b>Opinion on the Council's:</b>	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2018 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
<b>Concluding on the Council's arrangements for securing economy, efficiency and effectiveness</b>	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
<b>Reports by exception:</b>	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
<b>Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).</b>	The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the consolidation pack.

## Executive Summary (cont'd)

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As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 10 July 2018.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 26 July 2018.

In January 2019 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

*MARK HODGSON*

Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP





02

## Purpose and Responsibilities

# Purpose and Responsibilities

## The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the 26 July 2018 Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

## Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued on 8 February 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
  - ▶ On the 2017/18 financial statements; and
  - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
  - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
  - ▶ Any significant matters that are in the public interest;
  - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
  - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on you Whole of Government Accounts return. The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the return.

## Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.





03

## Financial Statement Audit

# Financial Statement Audit

## Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 26 July 2018.

Our detailed findings were reported to the 26 July 2018 Audit Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<b>Management override of control</b>	
The financial statements as a whole are not free of material misstatements whether caused by fraud or error.	We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.
As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	We considered the following accounting estimates most susceptible to bias Non Domestic Rates Appeals provision and we did not identify any issues with the assumptions and calculations used.
	We reviewed accounting estimates for evidence of management bias.
	We have not identified any material weaknesses in controls or evidence of material management override.
	We have not identified any instances of inappropriate judgements being applied.
	We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

## Financial Statement Audit (cont'd)

Other Key Findings	Conclusion
<p><b>Valuation of Land and Buildings</b></p> <p>Property, Plant and Equipment represents a material balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet. This is carried out by an expert valuer and is based on a number of complex assumptions.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We have not identified any material misstatements from the work undertaken to date.</p> <p>Our consideration of the annual cycle of valuations did not identify any issues with the implemented plan or with the movement on assets not revalued in year.</p> <p>We have identified a weakness in the Council's process for assessing the expert's report and the impact on the valuations of those assessments. This is considered further in section 5.</p> <p>Our audit work did not identify any issues with the accounting treatment for valuations.</p>
<p><b>Pension Liability Valuation</b></p> <p>The Local Authority Accounting Code of Practice (the code) and IAS 19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>Accounting for this scheme involves significant estimation and judgement.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We have reviewed the assessment of the pension fund actuary by PWC and EY pensions and have undertaken the work required.</p> <p>A movement on the total fund asset between the estimated year end balance and the actual was identified by the pension fund auditor. The impact of this was an understatement of the Council's pension assets by £0.515 millions. This was corrected by management during the course of our audit.</p> <p>We have not identified any issues with the accounting entries and disclosures made within the financial statements.</p>
<p><b>Disclosure Adjustments</b></p> <p>Significant number of disclosure audit findings identified during the audit</p>	<p>The audit identified a significant number of adjustments required to the accounts in respect of disclosures. A number of these audit adjustments were consistent with findings in the prior year. Management adjusted for all the findings identified.</p> <p>The Council should ensure that it has a robust quality review process in place prior to the authorisation of the draft financial statements ahead of the statutory deadline.</p>

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

## Financial Statement Audit (cont'd)

### Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £0.9 million (2017: £0.9 million), which is 2% of gross expenditure on provision of services reported in the accounts of £46.9 million adjusted for parish precepts, precepts paid to internal drainage boards, gains/losses on the disposal of fixed assets, and interest charges.</p> <p>We consider gross expenditure on provision of services to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £46,000 (2017: £46,800)

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits: reduced materiality level of £5,000 applied in line with bandings disclosed.
- ▶ Related party transactions and members allowances: reduced materiality level applied equal to the reporting threshold.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.



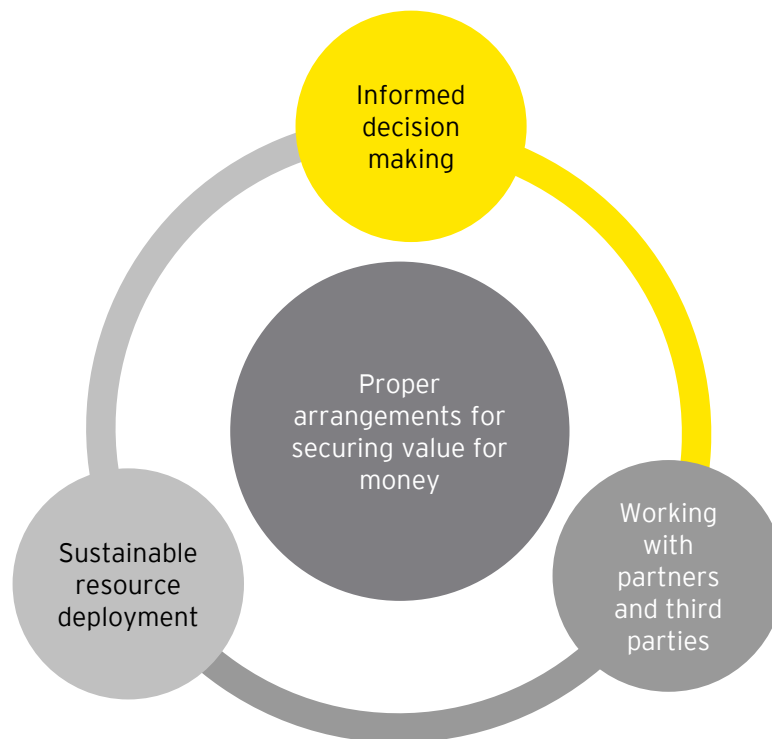


## 04 Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



We did not identify any significant risks in relation to these criteria.

We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 26 July 2018.



05

## Other Reporting Issues



## Other Reporting Issues

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### Whole of Government Accounts

The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the consolidation pack.

### Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

### Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

### Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

### Objections Received

We did not receive any objections to the 2017/18 financial statements from members of the public.

### Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.





## Other Reporting Issues (cont'd)

### Independence

We communicated our assessment of independence in our Audit Results Report to Audit Committee on 24 July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

### Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

The matters reported are shown below and are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported.

Description	Impact
Related Party Transactions	<p>At the time of our audit 7 Members had not returned their declarations of interest form in respect of 2017/18. It has also been identified that one Member had not disclosed a known related party within their form, Broadland Growth Limited, although this had already been disclosed within the relevant note (Note 35). This therefore cast doubt over the completeness of that note. We have undertaken extended procedures to ensure there is enough evidence to support the disclosures made in Note 35. The accuracy and completeness of this note is a fundamental cornerstone of public reporting.</p> <p>The Council should ensure that it has a robust process in place to collect all Member declarations in a timely manner and reinforce the importance of accurate disclosures by Members and key staff through appropriate training.</p>
Property, Plant and Equipment Valuations	<p>The Council's Expert Valuers' report for the Bure Valley Railway was prepared on the wrong basis, as an 'Investment Property' instead of an 'Asset held for sale'. This oversight was not identified during the Council's closedown process. We identified the error as part of our audit procedures. Whilst there was no impact on the valuation of this asset, it does highlight a weakness in control, as it could have a material impact.</p> <p>The Council should ensure that it has a robust quality review process in place prior to the authorisation of the draft financial statements ahead of the statutory deadline.</p>





06

## Data Analytics





## Use of Data Analytics in the Audit

### Analytics Driven Audit

#### Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- ▶ Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2017/18, our use of these analysers in the authority's audit included testing journal entries to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

#### Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our Audit Plan.



# Data Analytics

## Journal Entry Data Insights

The graphic outlined below summarises the Council's journal population for 2017/18. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.

## EY Helix - GLASS: Journal Entry Data Insights - 18 Broadland District-GL Analyser-P1-P14 - 31/03/2018

### Facts and Figures

Number of Journals Posted:  
**6,277**

Average Number of Journals Posted per Day:  
**18**

Average Number of Lines per Journal:  
**31**

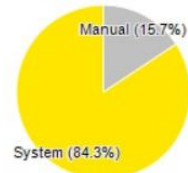
### Operational Efficiencies

Manual Journals Posted at weekend:  
**0**

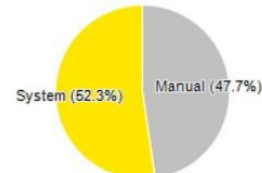
Manual journals where gross amount is < £5:  
**15**

Journal lines with zero value:  
**373**

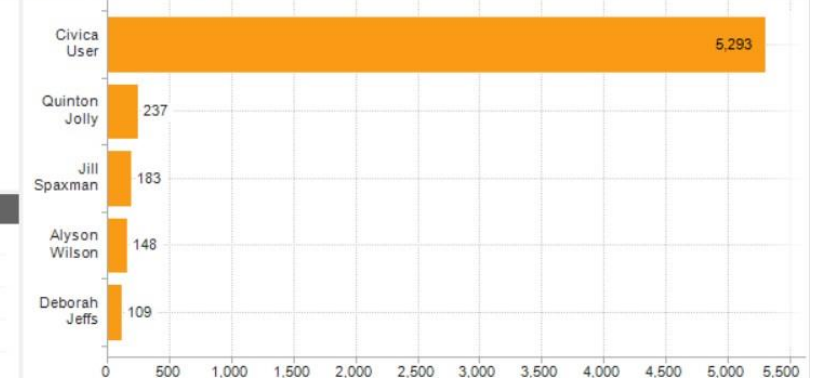
### Manual v System by Volume



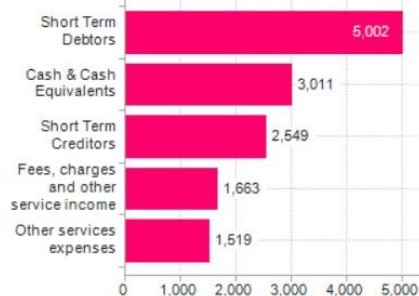
### Manual v System by Value



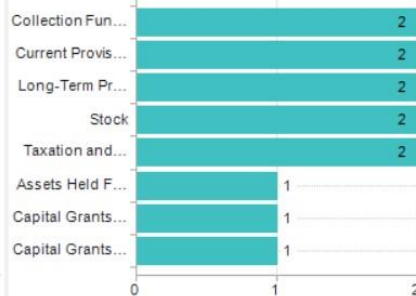
### Top Five Preparers



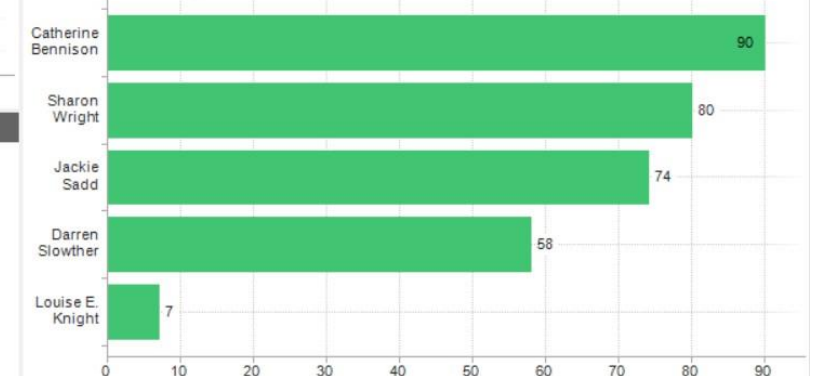
### Top Five Activity Accounts



### Bottom Five Activity Accounts



### Bottom Five Preparers



### Days of the Week



## Data Analytics (cont'd)

### Journal Entry Testing

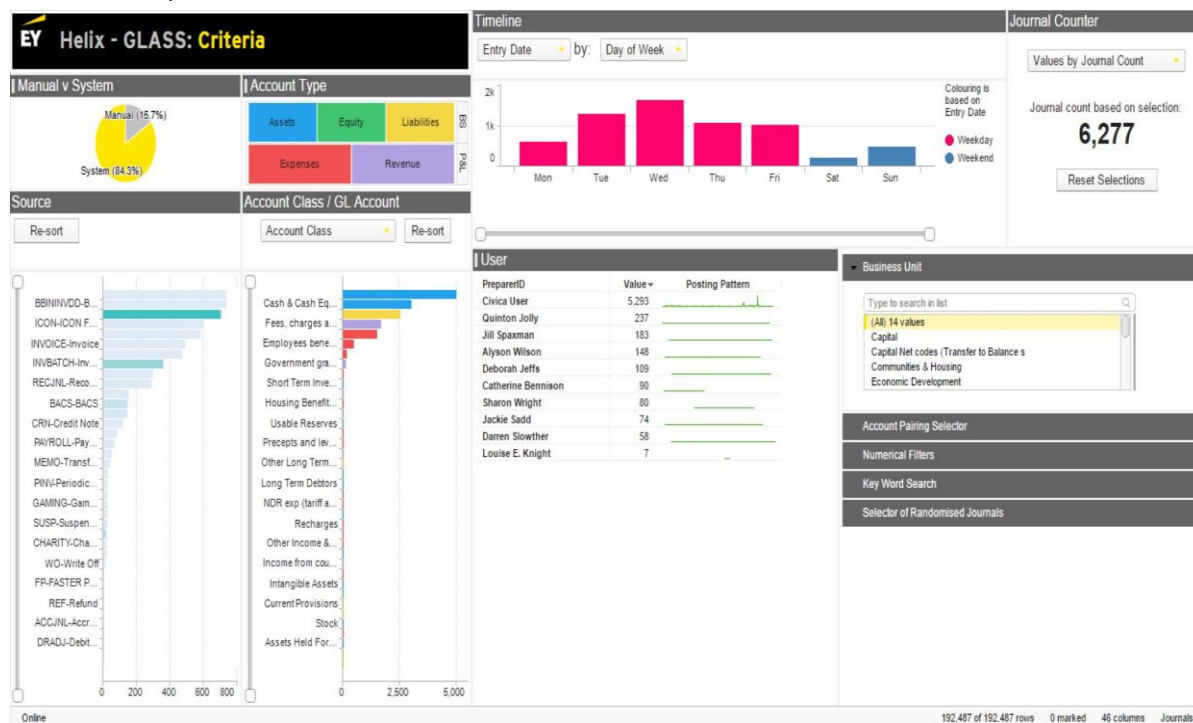
#### What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

#### What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – Broadland District Council – 31 March 2018



#### What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

#### What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



07

## Focused on your future



## Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
<b>IFRS 9 Financial Instruments</b>	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> <li>▶ How financial assets are classified and measured;</li> <li>▶ How the impairment of financial assets are calculated; and</li> <li>▶ The disclosure requirements for financial assets.</li> </ul> <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> <li>▶ Reclassify existing financial instrument assets</li> <li>▶ Re-measure and recalculate potential impairments of those assets; and</li> <li>▶ Prepare additional disclosure notes for material items.</li> </ul>
<b>IFRS 15 Revenue from Contracts with Customers</b>	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> <li>▶ Leases;</li> <li>▶ Financial instruments;</li> <li>▶ Insurance contracts; and</li> <li>▶ For local authorities; Council Tax and NDR income.</li> </ul> <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Council will need to consider the impact of this on their own group accounts if Broadland Growth Limited is to be consolidated in the future.</p>



## Focused on your future (cont'd)

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Standard	Issue	Impact
<b>IFRS 16 Leases</b>	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>

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08

## Audit Fees

## Audit Fees

Our fee for 2017/18 is higher than the scale fee set by the PSAA and reported in our 10 July 2018 Annual Results Report.

Description	Final Fee 2017/18 £'s	Planned Fee 2017/18 £'s	Scale Fee 2017/18 £'s	Final Fee 2016/17 £'s
Total Audit Fee - Code work	TBC (Note 1)	41,587	41,587	41,587
Total Audit Fee - Certification of claims and returns	TBC (Note 2)	11,022	11,022	14,495

**Note 1** - We have assessed the impact of the significant number of disclosure errors and control weaknesses on the quantum of our audit work. This will lead to a variation to the Scale Fee being levied. An additional fee has been discussed and agreed with management but is still subject to approval by the Public Sector Audit Appointments. We will formally report the final fee once the approval process is complete.

**Note 2** - The final fee for the certification of claims and returns will be confirmed upon completion by the 30 November deadline. We will report the final fee in our Annual Certification Report.

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

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**WORK PROGRAMME**

10 January 2019	<ul style="list-style-type: none"><li>• Internal Audit Progress Report</li><li>• Internal Audit Follow Up Report</li><li>• EY 2017/18 Grant Certification Report</li><li>• Risk Register</li><li>• EY 2018/19 Audit Plan</li><li>• Service Risks ( Env HoS to attend)</li></ul>
14 March 2019	<ul style="list-style-type: none"><li>• Strategic and Annual Internal Audit Plan 2019/20</li><li>• Annual Fraud Update</li><li>• Treasury Management Risk Update</li><li>• Service Risks</li></ul>