

Report Title		Internal Audit Plan, Charter and Mandate	
Are there background papers?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Exempt	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Reason for Exemption?			
Decision for Full Council?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
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Are there Non Electronic Appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
List of Background Papers (if applicable)			

Agenda Item No \_\_\_\_\_

**Internal Audit Plan 2026/27, Charter and Mandate**

**Summary:** This report provides details of the Internal Audit Plan 2026/27, and the Charter and Mandate.

**Conclusions:** The Internal Audit Plan 2026/27 has been developed and agreed with management addressing corporate risks and priorities.

**Recommendation:** That the Committee is requested to review and approve:

- The Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

Cabinet member(s): Ward(s) affected:

All

All

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**1. Background**

1.1 An Internal Audit Plan 2026/27 has been established with senior management and is shown within the report. The Charter and Mandate has been reviewed and updated for the CIPFA Application Note – Global Internal Audit Standards in the UK Public Sector. The changes include: -

- Global Internal Audit Standards changed to Global Internal Audit Standards in the UK Public Sector throughout.
- Reference to the Nolan Principles under the Ethics and Professionalism section.
- A new section on Communication with key stakeholders in the Communication with the Audit Committee and senior management section
- A change in the section Quality and Assurance Improvement Programme regarding the qualifications of the external Assessor.

**2. Overall Position**

2.1 The attached report contains:

- The Internal Audit Plan 2026/27, which details rationale and overarching scope for each audit in the Plan.

- The Internal Audit Charter and Mandate which outlines the purpose, independence, organisational position and reporting relationships of Internal Audit, Audit Committee's oversight, and the roles and responsibilities of the Head of Internal Audit.

### **3. Conclusion**

- 3.1 The attached report provides the Council with an Internal Audit Plan that will ensure key business risks will be addressed by Internal Audit, thus ensuring that appropriate controls are in place to mitigate such risks and also ensure that the appropriate and proportionate level of action is taken.
- 3.2 The risk-based internal audit plans will add value to the Council, have a defined and specific scope for each review and ensure that risks in relation to the service area are being reviewed by Internal Audit, thus enabling best practice to be followed.

### **4. Recommendation**

1) That the Committee is requested to review and approve:

- The Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

#### ***Appendices attached to this report:***

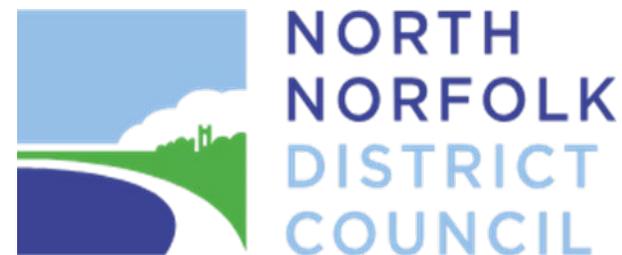
Appendix A – Internal Audit Plan 2026/27

Appendix B – Internal Audit Charter and Mandate

EASTERN INTERNAL AUDIT SERVICES



Breckland Council



**NORTH NORFOLK DISTRICT COUNCIL**

**Internal Audit Plan 2026/27**

**Head of Internal Audit: Teresa Sharman**

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# Approach to Internal Audit Planning

## Introduction

Annually, the Head of Internal Audit is required to provide an annual opinion on the Council's framework of governance, risk management and control, to those charged with governance to support the Council's Annual Governance Statement (AGS).

To achieve this, a risk-based internal audit plan is developed, and audits are carried out.

## What do the Standards say?

### Creating a plan

In accordance with the Global Internal Audit Standards (GIAS): -

'The chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risks. This assessment must be informed by input from the board (Audit Committee) and senior management as well as the chief audit executive's understanding of the organisation's governance, risk management and control processes. This assessment must be performed at least annually.'

'The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.

- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

### **Review, revise and changes to the Plan**

'The chief audit executive must review and revise the Internal Audit Plan as necessary and communicate timely to the board (Audit Committee) and senior management: -

- The impact of any resource limitations on Internal Audit coverage.
- The rationale for not including an assurance engagement in a high-risk area of activity in the Plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.'

'The chief audit executive must discuss the internal audit plan, including significant interim changes with the board (Audit Committee) and senior management. The plan and significant changes to the plan must be approved by the board (Audit Committee).'

## **Audit Universe and Risk Assessment**

The Standards require an organisational risk assessment to be completed at least annually as the basis for the plan. This year, reliance has been placed on the Council's risk information as detailed in its Risk Register.

Our approach to preparing the Council Internal Audit Plan is to develop an audit and risk universe based on an understanding the Council's corporate priorities, corporate risks and key outcomes. The risk universe is the Council's corporate risks, and the audit universe is the Council's corporate priorities and its business services, processes, programmes, and systems. Each audit in the Plan links back to a corporate risk or corporate priority where relevant.

Appendix 1 shows the red and amber risks in the risk universe and not all the corporate risks, corporate priorities and areas within each service business area.

## Audit Planning Approach

### Audit planning

An audit planning meeting was held with the Corporate Leadership Team and Management Team to develop the Council's Internal Audit Plan.

Discussions focused on areas such as: -

- The Corporate Plan 2023-2027 and the planned outcomes and actions from the Annual Plan 2025/26 and the associated level of risk to their achievement.
- The red and amber corporate risks.
- The importance of the action, service or process to the Council i.e., whether it is a statutory or critical service, for legal or regulatory requirements or to meet corporate priorities.
- New and existing programmes and projects.
- Whether assurance is received from other parties.
- When Internal Audit last looked at the service, project, programme or system and what level of assurance was given.
- Whether there were new systems in place or proposed.
- The performance of the service.
- Changes to laws and regulations.
- Council concerns with systems or processes.
- The involvement of third parties.
- Materiality in monetary terms.
- An overarching scope was discussed for each audit, which will be confirmed when the audit is completed.
- Whether the work would be advisory, or assurance work, along with when would be best to complete the audit in the year, avoiding known peak work periods where possible.

### **Essential, high, medium and low assurance requirements**

Audits are defined as an essential, high, medium or low assurance requirement, to provide an order of priority if the audit budget is insufficient once scopes are agreed and days allocated to audits.

It is expected that there will be insufficient audit budget to complete those audits defined as a low assurance requirement in this year's Internal Audit Plan.

The resulting plan is shown in Appendix 2 and shows where audit work links back to the Council's corporate priorities and corporate risks. Only those corporate risks, corporate priorities and service business areas where audits are proposed are shown in Appendix 2 and not all the audit and risk universe.

### **Audit Themes**

An analysis of the recommendations made in 2024/25 found that the categories for 'effective building, maintenance and change' (the strengthening of systems, processes, the maintenance or control of change) and 'understanding external factors' (alignment with legislation, regulation or external expectations) had the most recommendations classified under them, 33% and 37% respectively.

For 'effective building, maintenance and change' weaknesses in controls in this category could mean that systems or processes are inefficient, outdated, or weakly controlled, change management may not be robust, or key systems may not be sufficiently maintained. The Waste Management (4) and S106 Arrangements (4) audits had the most recommendations in this category.

For 'understanding external factors', weaknesses in controls in this category could mean there are risks of non-compliance with legislation and statutory duties, or national or external policy, leading to reputation damage. The Leisure, Private Sector Housing (4) and Environmental Charter (4) audits had the most recommendations in this category.

For each audit in 2026/27, the audit scopes will include points on effective building, maintenance and change and understanding external factors where this is relevant.

### **Flexible plan**

To ensure that the plan is flexible to meet the needs of the Council in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture, the Internal Audit Plan will be reviewed with the Corporate Leadership quarterly and updated accordingly, including whether the assurance requirement category remains valid.

Changes to the Plan will be outlined to the Audit Committee in the quarterly Progress Report for them to review and agree.

## **Internal Audit Resources**

### **What to the Standards say?**

‘The chief audit executive manages resources to implement the internal audit function’s strategy and achieve its plan and mandate.

Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.’

### **Financial**

The budget for 2026/27 has received at 3.8% CPI% (rate in September and October 2025) increase on the 2025/26 budget.

### **Staffing**

The role of the Head of Internal Audit is provided by South Norfolk Council through the Eastern Internal Audit Service (EIAS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Norwich City Council and Great Yarmouth Borough Council, and the Broads Authority. All Councils are bound by a Partnership Agreement.

The delivery of the internal audit plans for each Council is provided by three external audit contractors, who report directly to the Head of Internal Audit at South Norfolk Council. Other than the Head of Internal Audit, staffing within EIAS include a Senior Internal Auditor and a Trainee Internal Auditor who also complete audits.

A mix of in-house staffing and external contractors provides a variety of daily rates, enabling overall value for money clients whilst having access to a variety of specialist auditors and more capacity at peak times. Further details on the strategy for human resources will be in the new Internal Audit Strategy that is being developed.

### **Technology**

Further details on the strategy for technology will be in the new Internal Audit Strategy, but the use of data for continuous auditing through data analytics and audit need is one aspect that is being considered. Currently, data analytics is used for full population testing in some audits. AI is used in audit work for background research, writing risks, and summarising findings in report writing. It is not currently used in audit testing. In data analytics, AI is used to write formulas and measures when dashboards are completed for audit and administrative work.

## Appendix 1 – Top Level Audit & Risk Universe

### Corporate Priorities and Risks (Reds and Ambers)

Our greener future	Developing our communities	Meeting our housing need	Investing in our local economy & infrastructure	A strong, responsible & accountable Council
<p>Continue our journey to net-zero.</p> <p>Tackle environmental waste and pollution.</p> <p>Protect and transition or coastal environments</p>	<p>Engaged and supported individual and communities</p> <p>Promote health, wellbeing and independence for all</p> <p>Increase accessibility and inclusion for all</p> <p>Promote culture, leisure and sports activities.</p>	<p>Address housing need</p> <p>Tackle the impact of second homes and holiday lets.</p> <p>Promote best use of housing stock and good housing standards.</p>	<p>An environment for business to thrive in.</p> <p>Infrastructure to support growth.</p> <p>Skills for jobs.</p>	<p>Quality customer service.</p> <p>Maximising opportunities,</p> <p>Effective and efficient services.</p>
<p>Coastwise – delivery within Government financial timeframes</p> <p>Not achieving the Net Zero 2030 target</p>				<p>Medium Term Financial Plan</p>

Our greener future	Developing our communities	Meeting our housing need	Investing in our local economy & infrastructure	A strong, responsible & accountable Council
<p>Flooding, erosion and loss of assets and delivery of services</p> <p>Domestic Food Waste Collection (Statutory Obligation)</p>		<p>Housing Delivery - Non delivery of housing targets</p>		<p>Local Government Reorganisation – threat to organisational capacity</p> <p>Contract Failure</p> <p>Emergency Event</p> <p>Rocket House building repair and energy improvement works</p> <p>Loss of Information</p> <p>High cost and resource issues from prosecutions, enforcement action and litigation</p> <p>Cyber Risk</p> <p>Deteriorating / under used property assets</p>

## Business Service Areas

Business Service Areas			
Loegal & Governance	Services, Planning Environmental & Leisure	Corporate Services	Resources – Finance & Assets & Sustainable Growth
<p>Elections</p> <p>Legal</p> <p>Democratic Services</p>	<p>Environmental Protection &amp; Services, Public Protection</p> <p>Civil Contingences</p> <p>Waste</p> <p>Leisure including car parks</p> <p>Benefits</p> <p>Housing Option, Strategy and Adaptations</p> <p>Health and Welbeing</p> <p>Early Help Hub</p> <p>Development Mgmt, Building Control, Enforcement</p> <p>PPU, Property Info Team</p> <p>Major Projects</p> <p>Conservation and Landscapes</p>	<p>Communications &amp; PR</p> <p>Customers Services</p> <p>Project and Performance Management</p> <p>HR</p>	<p>Tourism</p> <p>Coast</p> <p>Economic Growth</p> <p>Climate Change</p> <p>Regeneration Projects</p> <p>ICT</p> <p>Finance</p> <p>Revenues</p> <p>Exchequer</p> <p>Assets and Property Strategy</p> <p>Property Services / Facilities Mgmt.</p>

## Appendix 2 - Internal Audit Plan 2026/27

### Quarter 1

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Discretionary Powers (Medium)	None	Discretionary powers - discretion is awarded to managers/team leaders to allow areas of relief. Ensure everyone is given fair opportunity as well as protecting public. Policies are in place - do manager/team leaders comply with this policy? To cover business rates, benefits, discretionary payments. Dan and Trudie.	Assurance that the Council's use of discretionary powers across business rates, benefits, and discretionary payments is fair, transparent, consistently applied, and compliant with approved policies, ensuring that decision-making is well-governed, appropriately documented, and balances equitable treatment of residents with the need to safeguard public funds.
Disaster Recovery (High)	None	There are concerns on the ability to recover IT wise from an incident considering recent cyber security attacks for example from back-ups.	Assurance that the Council has robust, tested, and effective arrangements in place to ensure it can maintain critical operations and achieve a full and timely recovery in the event of a cyber-attack.  To include the existence of appropriate cyber incident response plans, business continuity arrangements, technical safeguards, and recovery capabilities.

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Project Management Framework (Medium)	A strong, responsible & accountable Council	Three strategic boards now in place Major Projects Oversight, Decarbonisation Oversight and Productivity and Performance Oversight). Assurance on the project management framework, looking at the FLASH project.	Assurance that the Council's project management framework is well-designed, consistently applied, and operating effectively to ensure that projects are governed, planned, delivered and monitored in a controlled, transparent and value-for-money manner, with clear accountability, appropriate risk management, and reliable reporting.

## Quarter 2

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Renters' Rights (High)	Meeting our Housing Need	The Renters' Rights Act 2025 (RRA 2025) received Royal Assent on 27 October 2025 and introduces the most significant reforms to the private rented sector (PRS) in decades, including the abolition of Section 21 "no fault" evictions, a new periodic tenancy regime, strengthened and expanded grounds for possession, limits on rent increases, and a staged programme to	Assurance that the Council is ready, compliant, and operationally prepared to implement and enforce the Renters' Rights Act 2025 in line with statutory timelines. that governance, processes, systems, skills, and data arrangements will enable effective implementation from 1 May 2026 and phased measures thereafter, and that risks are identified and managed.

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		<p>establish a PRS Database and a Private Rented Sector (Landlord) Ombudsman. Key measures are being phased in through commencement regulations during 2025 – 2027, with core tenancy changes coming into force on 1 May 2026. This affects many teams.</p> <p>Assurance requested.</p>	
Customer Services (Medium)	A strong, responsible & accountable Council	<p>Assurance requested of Customer Services, to consider the introduction of chatbot, response times, impact of the removal of face-to-face provision at Fakenham Connect 3/6 months after removal in the audit. To also include tracking on the process / journey of customer.</p>	<p>Assurance on the effectiveness, accessibility, and responsiveness of the Council's Customer Services function, evaluating whether service delivery arrangements, including the introduction of a chatbot, revised access channels following the withdrawal of face-to-face provision at Fakenham Connect, and the integration of the new C3 system, support timely, consistent and satisfactory customer outcomes, and whether end-to-end customer journeys are well-designed, well-managed, and deliver value for both residents and the Council.</p>

### Quarter 3

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Empty Homes (Medium)	Meeting our Housing Need	<p>In their Annual Plan, the Council has made a commitment to continue to monitor and take action to reduce the number of Long-Term Empty properties in the District through investigation and enforcement action – pursuing at least 50 cases a year.</p> <p>The Council is delivering an enhanced Empty Homes Reduction Programme focused on reducing the number of long-term empty properties. The total empty properties as at 6 October 2025 (CTB1 data) is 1,234. Out of these there are 759 Long-Term Empty properties. This is 1.34% of the taxbase total.</p>	<p>Assurance that the Council's Empty Homes Reduction Programme is operating an effective and value for money intervention model, deploying resources, enforcement powers and incentives appropriately, achieving measurable improvements in reoccupation, revenue generation and community outcomes, and managing programme level risks and continuously improving performance. To also understand whether the officer post is self-funding in accordance with the Business Case.</p>
Prevention Advisory People Services (Medium)	Developing our communities	<p>Community Connectors and Discretionary People Services – these posts have been funded through various grant pots and are Fixed Term Contracts. It is a</p>	<p>To provide insight on whether the Community Connectors and Discretionary People Services operating model is appropriate, sustainable, and resilient for the future, assessing its strategic purpose, delivery approach, funding model, governance, and outcomes to support informed</p>

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		<p>community-based service striving to improve the quality of life of residents within North Norfolk, encouraging and empowering people to connect with their community, raise aspirations, build resilience and improve wellbeing Assurance that the model is right, sustainable and durable moving forward is requested, reviewing the service as a whole to allow tying in with Renters Rights requirements.</p>	<p>decisions on how the service for the future. (Advisory)</p>
<p>Parks and Open Spaces and Woodland Management (Medium)</p>	<p>Developing our Communities</p>	<p>The Council can be challenged by community groups on the management of its sites and policies such as biodiversity, conservation and health and safety risks. An audit is requested to confirm compliance with policies and legislation, provide transparency to the Public and to support good stewardship.</p>	<p>Assurance that the Council's arrangements for managing parks, open spaces, and woodland are robust, compliant, and effective, ensuring that operational practices, policy application (including biodiversity, conservation, and health and safety requirements), community engagement, and governance structures support the sustainable, safe, and accountable stewardship of these assets.</p>

## Quarter 4

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Key Financial Controls (High)	None	An annual audit is requested.	Assurance on the key controls in the accounts payable, accounts receivable, income and accountancy services areas.
Property Assets – Capital Programme (High)	<b>Deteriorating / under used property assets</b> A Strong, Responsible and Accountable Council	A capital programme is in place to bring property and assets up to a good standard prior to being handed over to the new unitary council (tourism infrastructure, railings, lampposts, signposts etc). This is a big programme of works and assurance is requested.	Assurance that the capital works programme to bring property and public-realm assets up to the required standard ahead of unitary transfer is well-governed, procured in accordance with applicable regulations, and delivered economically, efficiently and effectively, ensuring value for money and readiness for handover.
Follow Up	None	Completed annually, in all quarters.	Assurance on progress with implementing recommendations made.

## Grant Certifications

Grant Work	Rationale for the Work	Overarching Scope
Disabled Facilities Grants	Annual grant certification	Certification of expenditure in accordance with grant conditions

## Low Priority Audits

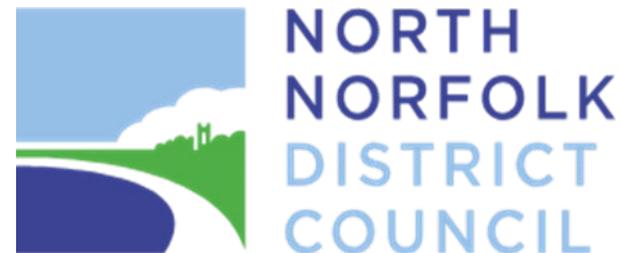
(Please note: - these audits are unlikely to be completed)

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Council Tax Support Scheme	None	Assurance on the new support scheme and whether this is being applied in practice, focusing on the changes because of the new scheme and change of circumstances is requested.	Assurance on the new Council Tax Support Scheme and whether this is being applied in practice, focusing on the changes because of the new scheme and change of circumstances.

## Areas being monitored

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
LGR	<p><b>Local Government Reorganisation – threat to organisational capacity</b></p> <p>A Strong, Responsible and Accountable Council</p>	No audits required currently but this will be reconsidered, once the Minded To decision is known, at the quarterly Plan reviews.	

EASTERN INTERNAL AUDIT SERVICES



**NORTH NORFOLK DISTRICT COUNCIL**

**Internal Audit Charter and Mandate**

**Head of Internal Audit: Teresa Sharman**

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# Purpose of Internal Audit

## Purpose

The purpose of the internal audit function is to strengthen the Council's ability to create, protect, and sustain value by providing the Governance, Risk and Audit Committee, (referred to throughout as the 'Audit Committee') and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances the Council's: -

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Council's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Chartered Institute of Internal Auditor's (CIIA) Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### **Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector**

- The Council's internal audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards in the UK Public Sector and Topical Requirements. The chief audit executive (Head of Internal Audit) will report annually to the Audit Committee.

The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement program.

## Mandate of Internal Audit

### Authority

The Council's internal audit function mandate is found in the Accounts and Audit Regulations 2015, which states: - Internal Audit

5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit —

(a) make available such documents and records; and

(b) supply such information and explanations; as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.

The internal audit function's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorises the internal audit function to: -

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Council and other specialized services from within or outside the Council to complete internal audit services.

## Independence, Organizational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.)

The chief audit executive will report functionally to the Audit Committee and administratively (for example, day-to-day operations) to the Chief of Staff at South Norfolk Council. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

The chief audit executive will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The chief audit executive will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfil its mandate.

## Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, Audit Committee and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to: -

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant reorganisation within the organisation.
- Significant changes in the chief audit executive, Audit Committee, and/or senior management.
- Significant changes to the organisation’s strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## Audit Committee Oversight

### Oversight

To establish, maintain, and ensure that the Council's internal audit function has sufficient authority to fulfil its duties, the Audit Committee will: -

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the “essential conditions,” described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Advocate to senior management that sufficient budget and staffing resources are provided to the internal audit function to fulfil its mandate and accomplish its internal audit plan.
- Provide feedback to senior management on the appointment and removal of the chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards in the UK Public Sector.
- Review and provide feedback to the Director of Resources at South Norfolk Council on the chief audit executive's performance.

- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

# Chief Audit Executive Roles and responsibilities

## Ethics and Professionalism

The chief audit executive will ensure that internal auditors: -

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality, and the Seven Principles of Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, Leadership.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organisational behaviour that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

## Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including: -

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any the Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will: -

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

## Managing the Internal Audit Function

The chief audit executive has the responsibility to: -

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.

- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Develop and document an Internal Audit Strategy setting out the purpose, vision and objectives for internal audit, covering technology and staffing resources, and periodically review this.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

## Communication with the Audit Committee and Senior Management

### Reporting to Audit Committee

The chief audit executive will report periodically to the Audit Committee and senior management regarding: -

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the Council's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.

### Communication with key stakeholders

The chief audit executive is committed to fostering both formal and informal communication channels to build strong, collaborative relationships with senior management and the Audit Committee, and other stakeholders. This includes the use of structured mechanisms such as training workshops, briefings regular meetings, periodic reporting, and formal feedback processes to ensure transparency, alignment, and shared understanding of risks and priorities.

In addition, the chief audit executive will actively engage in informal dialogue with the Committee and senior management, and ad-hoc updates, to maintain open communication and support a culture of continuous improvement. These combined approaches ensure that stakeholder views are understood, expectations are managed, and Internal Audit remains a trusted, value-adding partner to the Council.

Our Stakeholder Engagement Plan will outline how this will be achieved in more detail.

### Quality and Assurance Improvement Programme

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

## Scope and type of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of Council's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether: -

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
- The actions of the Council's officers, directors, management, employees, and contractors or other relevant parties comply with the Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

## Approval

### Approval of Charter and Mandate

Approved by the Governance, Risk and Audit Committee at its meeting on 24 March 2026.